

JPRS-LAM-87-047

17 JUNE 1987



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JPRS Report

Latin America

17 JUNE 1987

LATIN AMERICA

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SOVIET PARTICIPATION IN PROVALE PROJECT DETAILED

Sao Paulo GAZETA MERCANTIL in Portuguese 28 Apr 87 p 20

[Article by Sergio Danilo: "Soviets Increase Participation in PROVALE to 60 Percent"]

[Text] Rio de Janeiro--A Soviet mission composed of eight representatives of the Ministries of the Steel Industry; Electrical Equipment Industry; Heavy Industry; Power; Construction; Metallurgy; and Mining is already in Brazil and is en route today to Sao Luis in Maranhao State. On 8 May in Rio de Janeiro the Russians will sign a final protocol approving the creation of a new company--PROVALE--now being organized by the Rio Doce Valley Company [CVRD] and the private group PROMETAL (Metal Products, Inc.). The new enterprise will construct in Para State a plant that will have an annual production capacity of 150,000 tons of ferroalloys for export, half of which--75,000 tons--will be imported by the Soviets beginning in 1989.

According to sources on the board of directors of the Rio Doce Valley Company [CVRD], the Soviet mission--consisting of the experts V.F. Hevchenko, U. Lysenko, A. Lyamichenko, Y. Stetchinko, A. Gusev, W. Riazanplev, Krasil Nikova, and W. Tiutiko--yesterday visited the facilities of two Brazilian ferroalloy firms in Salvador: SIBRA, Inc. and FERBASA. The mission arrives today in Sao Luis, where tomorrow its members will begin a trip on the Itaquai-Carajas railroad, in order to learn the advantages to be derived from the construction of the future ferroalloy plant. After visiting the port of Itaquai in Sao Luis, the members of the Soviet mission, accompanied by representatives of the CVRD and of PROMETAL, will--following the train trip--inspect the site on which the plant will be constructed: Parauapeba, near Maraba in southern Para State.

Investments

Our source said that on 8 May--with the arrival from Moscow of Y. Mhachikian, representing the minister of foreign trade--the Soviet mission will meet in Rio with the management of PROMETAL and of the Rio Doce Valley Company to sign an agreement that will provide for investments and also for a loan to Brazil of \$60 million, which is \$10 million more than the amount agreed upon in previous meetings between Russians and Brazilians.

The Soviets will sign a contract for the importation--over a period of 12 years--of 75,000 tons per year of ferroalloys based on manganese, and will grant a loan for the same period as the imports (12 years), at 6 percent interest per annum and 4 years' deferral of payments.

Of the total \$100 million investment in the plant, the Rio Doce Valley Company and the private group PROMETAL will contribute \$20 million each, with the Russians contributing 60 percent of the total investments. The technology to be used in constructing the new plant will be Soviet and Finnish; our source says this will ensure reduced costs and freedom from pollution, because of the modern techniques for reutilization of gases. The civil engineering works will be entirely Brazilian.

The Plant

The plant will be built in Paraupaba, Para State, and will install equipment from the Soviet Union and Brazil, the source declared. The Soviet engineers of the mission that is visiting Brazil will take back with them to Moscow all the projects developed by Brazilian consulting firms that have advised the Rio Doce Valley Company and PROMETAL on the project. A final meeting to reach a decision with respect to the importation of technology is scheduled for July in Moscow between Brazilian and Soviet representatives.

The plant project will occupy an area of 30,000 hectares in Para State that will be reforested and used for the production of wood charcoal. It will annually consume 400,000 tons of manganese ore from the reserves owned by the CVRD at Igarape Azul (containing 65 million tons), and from the Buritirama mine (reserves of 20 million tons), owned by PROMETAL.

The shipments of ferroalloys will be made from the port of Ponta de Madeira, in Maranhao State--the port through which the CVRD ships what it currently produces at Carajas. Our source says the PROVALE project is part of the industrial strategy that calls for locating plants near the corresponding raw material deposits. The plant will supply the USSR with approximately five different types of ferroalloys based on manganese. The remaining 75,000 tons to be produced in Para will be marketed by PROMETAL on the U.S., European, and Japanese markets at market prices. The CVRD will control 40 percent of the capital stock of the plant and will also be in charge of finance and accounting, while PROMETAL--with 60 percent of the capital stock--will be responsible for the technical, commercial, and administrative aspects of the project.

10992

CSO: 3342/114

NEW TRADE AGREEMENTS SIGNED WITH IRAQ

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Apr 87 p 31

[Text]Brasilia--The Iraqi Government (the largest oil supplier to Brazil and largest purchaser of Brazilian weapons) wants to increase the bilateral trade between the two countries, by purchasing more food products, such as beef, chicken, and sugar, in addition to cars and weapons. The new commercial agreements between the two countries were reached at the sixth meeting of the Brazil-Iraq joint commission, which concluded at Itamaraty yesterday. In connection with the current Brazilian economic situation, the Iraqi trade minister, Ali Hassan, declared that his country wants to help Brazil, favoring its participation in the implementation of service and construction projects for the development of Iraq.

At present, Brazilian firms including Mendes Junior, Geotecnica, and Pronom are engaged in consulting work and the construction of roads and railways in the Iraqi war zone. With regard to the arms sales to Iraq (a matter never explained by the Brazilian businessmen and diplomats), the Iraqi minister denied any contact with the manufacturers in Brazil; but, according to diplomatic sources, "that regular trade between the two countries should remain unchanged."

In the automobile trade, the Iraqi Government made a third agreement with Volkswagen for the purchase of 100,000 units. In the two previous agreements signed with the Brazilian manufacturer, Iraq purchased 150,000 units. Nevertheless, Iraq's interest in purchasing more from Brazil will not balance the trade between the two countries; because the volume of oil imported far exceeds the Brazilian sales of food products and cars. Last year, Brazil purchased \$966 million worth of oil from Iraq, and exported only \$369 million worth of goods; realizing, however, that 1986 was an atypical year for Brazil, when domestic consumption increased and export levels declined.

Israel

Although the Iraqi minister, Hassan Ali, claimed that the trade with Brazil has always been and will continue to be favorable, he left an indirect message for the Brazilian Government: "When a country comes close to Israel, that means that it agrees with that government's acts of aggression." The minister was referring to the charge made a few months ago by the League of Arab States, to the effect that Brazil was engaged in rapprochement with Israel, making arms sales. Minister Hassan concluded by saying that the Iraqi Government does not believe that Brazil intends to lose all its friends in the Arab world in order to gain just one country.

MILITARY ANALYSES OF CURRENT CRISIS, ALTERNATIVES DISCUSSED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 Apr 87 p 3

[Text] Brasilia--Amid the political disarray, the economic confusion, and the social agitation, space must be opened for a sector apparently at ease, silent for the present, but not immobile on that account. We are talking about the military. They have witnessed the recent events with bewilderment. There is no possibility of their repeating the past, intruding in the garden of the civilian government, and making their way with coups and substitutions. That experience appears to be far removed. It resulted in failure and demoralization.

Nevertheless, from informal and private talks held by the military, a kind of diagnosis has been emerging, even shared by their ministers: an informal thing, the object of opinions and exchanges of views; nothing on paper. According to them, four theoretical hypotheses are offered for the crisis:

1. That of an intervention, in other words, a coup, which actually is non-existent. There would be no way of promoting it, since that "animus" is lacking among all the troops. The democratic system under construction is doing well, and no onus should be attributed to it for the chaos that prevails, not even in the social area. It is the government that is doing badly. Strikes, work stoppages, and similar acts are part of the democracy, and we shall have to coexist with them, although without letting down our guard; in other words, using the legal means to prevent excesses and to preserve the institutions, order and development. If a subversive plot were triggered, the first to oppose it would be the military themselves, noting that the nation today is quite different from that 23 years ago. Society would react in the defense of the system, and the least that would happen would be civil war.
2. The second hypothesis would lie in the anticipation of a change in the government, because what is doing badly is it, not the system. There is also no way of accepting the resignation of President Jose Sarney, or even the immediate holding of direct elections. A courageous man, Sarney is facing the crisis as best he can, and would never repeat the foolish act of Janio Quadros. The National Constituent Assembly has the power to reform the institutions, and the calling of elections immediately after the promulgation of the new Constitution depends on it. However, the alternative has not actually found support either. Despite everything, the government has congressional power to prevent adventures, leaving the setting of presidential terms for the future and the circumstances, but never for a period of under 4 years. Thus, presidential elections could be held by

the end of next year, at the least, which would characterize the 4-year term. Hence, there is no reason to expect an immediate change in the government, or at least in its head, an option which is also impractical.

3. Making a change in the government system, adopting parliamentarism instead of presidentialism, could be another solution to the crisis; but if those changes were dictated by casuistry, they would never succeed. There is the example of 1961, with unfortunate consequences. The country lacks a strong party structure capable of ensuring the operation of the parliamentary system, and the adoption of that system to ward off crises would pose the danger of another even greater one. It is also important to note that the Brazilian republican tradition is presidentialist, accepting, at the most, if that be the inclination of the National Constituent Assembly, a mixed formula wherein the president of the republic, elected directly, would have a prime minister to aid him. Another argument against that third theoretical hypothesis lies in the fact that the crisis is occurring now, and any changes in the government system could not produce any effect until the end of the year or next year, when there would certainly be no more time.

4. The fourth and final alternative for the prevailing confusion is the one which evokes enthusiasm among the military. It may be summarized in a hardening of the system, which could be the hardening of Sarney or with Sarney. In the first instance, if the president decided to adopt political, economic, and social measures capable of putting an end to the lack of positions and excesses noted at present. The military know that the president, because he is a politician and a congressman, is primarily a man marked by conciliation and appeasement. He waits for events to happen and for the conflicting forces to reach settlement, preferring not to act in advance. In this respect, he is not a traditional executive, but for them he would have to be, in view of the prospect of chaos. If he were to assume definite, inflexible guidelines in the social, economic, and political sectors, demanding positions and separating foes and allies, he would regain control of the process. Democracy does not mean weakness; because it has the tools for its own defense. The hardening of Sarney is observed in this way. The option would be a hardening with Sarney, that is, if the initiative does not come from him, who knows how he could be stimulated? There is a danger in the hypothesis, which greatly resembles what occurred some years ago to President Bordaberry of Uruguay, who, upon taking office, called himself a hard person, but ended up being protected and later catapulted by the Armed Forces.

Of the four alternatives resulting from military analyses made during the past few days, one notes a definite inclination toward the fourth one. To the military, the hardening would be the only solution possibly receiving acceptance from the society. They claim that, in the social realm, those who imagine that the public favors the vast wave of strikes occurring in the country are deceiving themselves. A poll taken in Sao Paulo by the city hall disclosed a few weeks ago that 80 percent of those queried consider the strikes the greatest national problem. Work stoppages which affect everyone's lives, such as those in transportation, health, education, public facilities, ports, and other essential activities, end up becoming unpopular, especially if they take place in an increasing

succession. That is what was observed on Wednesday night in Rio, when the railroad engineers on suburban trains attempted a slowdown operation. The poor, unassuming mass of users ended up exploding and wrecking the trains.

According to the military, mechanisms must be found which would be capable of limiting the effects of the strikes, although without depriving the workers of the legitimate right to resort to that extreme alternative. At the time of the maritime workers' strike, although acknowledging legitimacy in the demands of the majority, the navy minister adopted the necessary measures to prevent the collapse of the port system; moreover, without consulting or asking permission from anyone, since the action is among his institutional powers.

In the economic area, the hardening would mean a determination of fundamental guidelines, not a plan or a new package, for immediate, inflexible implementation. Anyone who rebelled would be depicted as opposition, proceeding to seek his own way in the democratic system; which is tantamount to saying that he would be preparing for the next elections. As for the policy per se, it would be a consequence. It is no longer allowable for the parties comprising the government to act like the opposition members every time the interests of their groups, which are often personal, become countered. The formation of a monolithic bloc backing Planalto Palace would solve much of the prevailing confusion, forcing each one to decide whether or not he is on the side of the government.

In conclusion, a single comment is in order regarding this military analysis, gleaned from the best sources: The danger does not lie in the alternatives, however varied they may be. In this case, the medium is the message; in other words, if military analyses are being made, something is not going well.

2909

CSO: 3342/111

MILITARY BELIEVE SARNEY SHOULD DECIDE LENGTH OF MANDATE

Rio de Janeiro O GLOBO in Portuguese 1 May 87 p 3

[Text] Brasilia--The military would like President Jose Sarney himself to determine how long his term of office should be by sending a message to the national congress. This sector believes that the debate on the duration of the current president's mandate lies outside the authority of the Constituent Assembly, and that only Sarney himself can make the decision to shorten the period of his service in the Planalto Palace.

According to well-placed military sources, "The debate on the mandate of the president of the republic cannot be pursued in an emotional and personal climate. To seek to reduce President Sarney's term of office would mean exactly that, approaching a general discussion through a personal prism. The laws are there to be followed and what they provide is for a presidential term of 6 years."

This position, on which there is in practice a consensus in the three armed branches, has already been set forth at least once by the current military ministers. Minister of Army Leonidas Pires Concalves said during a group interview at the beginning of the year that "For the time being, it is the present constitution which is in effect, and it provides for a term of 6 years, to which President Sarney was elected."

The same position is still being maintained, but the military have advanced on one point. They agree that President Sarney himself can reduce his term of office to 4 or 5 years.

"It is time for the president to define his term in the government," one well-informed sources says, adding:

"Whenever this debate comes up, an atmosphere of unease which hinders the proper advance of the solutions to our national problems develops. At present President Sarney is seen as a scapegoat, but 6 months ago this was not the case. If Bresser is right, and we all hope that this will be the case, this debate about the length of the current president's term of office will be entirely secondary, and will lack any party support."

The military also call attention to another point.

"The greatest advantage of a 6-year mandate would be that the terms of the congressmen would coincide with that of the president of the republic. The crisis which led to the fall of Janio Quadros could not have happened if he had had strong support in the congress. A general election in 1990 would make a generous degree of cohesion among the political forces on all levels possible, and this would be extremely welcome, in order to launch a new era, marked by the new constitution.

5157

CSO:3342/118

PRIORITIES, ADVISERS, PERSONAL QUALITIES OF FINANCE MINISTER

Sao Paulo VEJA in Portuguese 6 May 87 pp 52-55

[Text] If under more normal circumstances it would be difficult for any minister of finance to implement a rational, realistic economic policy with some possibility of success in today's Brazil in crisis, the conditions which developed last week rendered the results which might be achieved by the successor to businessman Dilson Funaro, the economist and dismissed director of the Pao de Acucar (Sugarloaf) supermarket chain, totally unpredictable. The new minister has already taken up the post bound by the restraints imposed by the Planalto Palace and by the PMDB, in which he has been active since its foundation. Behind him there are many pitfalls, such as the moratorium on the interest on the foreign debt and inflation, which is spiraling again--it reached at least 17 percent in April, and is likely to reach something like a destabilizing 20 percent this month. Ahead of him, there is a government split in half by the shredding of its political base, with the PMDB and the PFL entangled enmeshed in unrealistic disputes and fantastic intentions, wherein, to top it all, no one knows now who controls what.

Bresser, who is 52 and was the president of the BANESPA when Franco Montoro headed the state government, and secretary for science and technology under Governor Orestes Quercia, comes to the government as the appointee of a president who originally did not want him in the post, and he was sponsored for it by the president of the PMDB, Deputy Ulysses Guimaraes, who would have preferred a third nominee. If he is lucky, he may overcome the resistance of Jose Sarney and the mistrust of the PMDB and administer the legacy of economic problems so well that no one can fault him. If he fails, he is likely to become the third tragic figure in a government which, in less than 26 months, has already had two ministers of finance, both of whom were defenestrated under profoundly traumatic and sad conditions. "Throughout my life I have prepared myself for public office," Bresser stated solemnly last Monday evening, on learning that he would be anointed as Funaro's replacement. He was not worried. What he has been doing most frequently in recent months is to point out, in his weekly column in FOLHA DE SAO PAULO, in a series of signed articles and in a plethora of interviews, alternative paths to that trod by his predecessor. He was always careful, however, never to make any frontal criticisms of the Sarney government, so as to remain eligible for the post.

Bresser took office last Wednesday, and he was already saying what he plans to do--a repetition of what he has reiterated tirelessly in his articles. One of his fondest ideas, pleasing to politicians as a whole, urges a return to a "unorthodox shock" like the Cruzado Plan. But the new shock would not occur yet. "The conditions do not exist now, not only because intersectorial prices continue to be out of balance, but also because there is heavy demand, the public deficit is large, and equilibrium in the trade balance is lacking," the new minister of finance says. The announcement of what he plans to do in the future had the immediate affect of persuading businessmen that the wisest thing is to continue increasing prices, continuing to use the "discount meter," the system whereby prices are set artificially high and goods are sold for less, in order to be in a good position if a new freeze is imposed.

If the best is yet to come, what has this economist, trained in law and economics, who took postgraduate training in the United States and France, to offer the group of PMDB governors and politicians who emerged triumphant at the polls, eager to carry out costly projects, thanks to the price freeze? His program will certainly not satisfy the yearnings of those who have the urge to provide service, even at the cost of economic disorder. Funaro's successor has drafted a plan for his ministry which is not characterized by the ambiguity typical of the earlier picture. In it, some old postulates, such as the concept of austerity in state expenditures and foreign exchange realism, the importance of which the politicians forgot during the Sarney government, can also be seen. "Bresser Pereira's statements are conservative," Parana Senator Affonso Camargo, one of the leading figures in the National Executive Board of the PMDB, ventured to say.

Camargo, formerly affiliated with the defunct ARENA and a former bionic senator, is not one of those who could be considered a PMDB Shiite, which in itself reveals the extent of the difficulties which lie ahead for the new minister. What disturbs the leaders of a party which has cultivated the thesis of a foreign debt moratorium throughout the years are the premises of Bresser's economic plan. He starts with the principle that the recovery of the economy must be launched through a resumption of exports, based on the presumption that the domestic market has already heated up. It is for this reason that he defended maxidevaluation of the cruzado before going into government service, and he promoted a modified version of it--8.49 percent--on his second day in office (see article on p 110). In addition, he defends the balancing of the accounts of a state whose coffers have many keys, and committed funds for which the accounting has barely been completed.

"An increase in the tax burden, without allowing it to fall again on the middle class, together with the correction of public prices, is essential in order to reduce the public deficit," he said in his inaugural address. Austerity in public accounts, along with a foreign exchange adjustment, in his reasoning, will liberate goods for export--the central issue in any viable agreement with creditors for suspension of the moratorium. "The rebalancing of our foreign accounts is a priority requirement," Bresser warned, putting himself miles away from Funaro's rhetoric. Based on the plan he carries in his pocket, Bresser foresees economic growth this year of between 3 and 3.5 percent--a half of what Funaro predicted, but still far from characterizing a recession--and a trade balance surplus of 8 to 9 billion dollars. The left

wing did not like this. "If he is speaking about a 3 percent increase, the Northeast will have none," Pernambuco Governor Miguel Arraes said disapprovingly, when he broke with the government last week.

"This is a good rate for this year," in the opinion of a minister who comes to Brasilia accompanied by the members of a team of advisers most of whom are affiliated with the Getulio Vargas Foundation in Sao Paulo--the new center from which the economic thinking of the government radiates, replacing the UNICAMP, Funaro's advisory base. "Last year, industry saw 12 percent growth, which made everyone very happy. Now everyone is unhappy because we are seeing too much growth. When the people want everything, they end up with nothing." With that line of reasoning, Bresser has in a single stroke violated three dogmas of the Funaro administration and the PMDB itself. Negotiation of the debt becomes a priority, a reduction of expenditures is announced as a cornerstone--although any such announcement only provokes laughter, given the spirit of absolute irresponsibility in which the government is burning money, and growth ceases to develop, at the cost of a larger deficit. "I do not believe that growth at any price is the PMDB's goal," the minister argues.

In this effort to try to commit only what he actually has or can count on, the minister of finance imagines he is relying on the public coffers, with a sheriff's badge on his chest and the governors in his party as his deputies--a fantasy which is reminiscent of the foxes helping to guard the chicken coop. This was what Bresser said during his first meeting with the PMDB leadership in the mansion of Deputy Ulysses Guimaraes in Brasilia, after he had already been appointed to the ministry. He appeared there with economist Yoshiaki Nakano, once his student at the FGV, who became his partner in some of the 14 books he has written. Dedicated to silence, the equerry took over the command of the economic advisory office at the Ministry of Finance, but he too will be involved in the new minister's political articulation.

In this talk at the home of the president of the PMDB, Ulysses Guimaraes raised the problem of the poverty of the state, which was also the subject of his first talk with Sarney, whom he only talked formally. "We will try to do something, but we are limited, because ours is an austerity program," Bresser retorted, surprising the president of the PMDB and the party leaders who were his fellow guests, Senators Mario Covas and Fernando Henrique Cardoso and Deputies Luiz Henrique and Carlos Sant'Anna. Also present was Sao Paulo Senator Severo Gomes, a singular industrialist and landowner who after serving in two military governments as a minister, is today one of the Shiites in the leftist faction of the PMDB. The minister suggested the dismissal of all of the state officials hired during the electoral period. "We will only provide resources to the governors who have carried out a strict and very clear reduced expenditure program," he suggested as a condition. He even challenged Severo Gomes, who attributed the rise in inflation to the interest explosion. "The rates must be real, and must remain above inflation," Bresser interrupted, taking up the thesis defended in the government by Fernao Bracher--his friend since their Sao Luis Secondary School days and as members of the progressive Catholic University Youth--when he headed the Central Bank.

Bresser wanted Bracher back at the Central Bank, or else Persio Arida--both friends of his--but when they declined, he extended the invitation to Fernando

Milliet de Oliveira, who followed him as president of the BANESPA, and who became nothing less than the fourth president of the Central Bank under the Sarney government. All of these, plus Nakano, Senator Fernando Henrique and his brother Sylvio Luiz Bresser Pereira, commercial director of the Pao de Acucar chain, are constant visitors at his home in the Anjico condominium, on the banks of the Ibiuna Dam Lake, in the interior of Sao Paulo. Bresser, Fernando Henrique, Sylvio Luiz and Deputy Jose Serra are close neighbors in the condominium complex, which is also visited frequently by former governor Franco Montoro, with whom the minister of finance had an association in their youth when they were militants in the Christian Democratic Party. The new minister differs greatly from his predecessor, beginning with his circle of advisers, which is broader and more heterogeneous--some, such as Montoro's former secretary of agriculture, Gilberto Dupas, who did not want to assume leadership of the CACEX, even refused invitations.

Bresser is also promising to revive one of former Minister Delfim Netto's customs, spending every Friday in his Sao Paulo office. He wants to stay closer to his five children and his wife, Vera Cecilia, a psychologist, who decided not to accompany him to Brasilia in order not to have to abandon her practice. In addition, he fears being too far away from the businessmen, as happened with Funaro. The regular members of this circle will include the director and superintendent of Pao de Acucar, Abilio Diniz, whom he knew when he worked in advertising and had customers such as Dulcora, for which he created the now famous slogan "the delight your palate adores," and Pao de Acucar itself. He has been affiliated with Pao de Acucar since 1963, and he left it in 1983 to head the BANESPA. He did not abandon Diniz even last year, when the supermarket chain was entangled in charges made by the SUNAB, which were never proved, of marking up prices just prior to the Cruzado Plan.

Bresser is admired by all of his friends as a good-natured individual of fine character equipped with an excellent education and qualifications for government office. "Bresser is the man who has the most ideas in the shortest period of time," a Sao Paulo politician jokes. This tendency to have definitive opinions and solutions for everything leads him to have frequent flashes of brilliance, on the one hand, and to say absolutely incoherent things, above all in the political field, on the other. In one instance, only 45 days after the launching of the Cruzado Plan, he warned the government in one of his journalistic articles that the price freeze would in practice collapse, as in fact happened, if the law of value was not respected in setting prices. In another, he placed himself in the position of someone viewing a landscape through the window of a train passing through a tunnel. "The resignation of the minister of army represented no advance toward the resolution of the political crisis which we are experiencing," he wrote in October of 1977. "While it did not mark a triumph for a radical right-wing position, it did not represent a step forward toward reestablishing democracy in this country, either." Bresser was referring to the dismissal of Gen Sylvio Frota, one of the most decisive turning points in President Ernesto Geisel's proposed political opening.

Bresser comes to the Sarney government enthusiastic and persuaded that he has the formula for rescuing the economy from its present lethargic situation. He believes that he will be successful in negotiating with the creditors. He

also believes that he has the support of his peers in the PMDB, despite the torpedoes which have already been fired at him, precisely by the wing with which he presumed he was allied in terms of his academic theses. "This was a disastrous appointment," said Deputy Cristina Tavares. "It means a return to monetarism and recession." And finally, he believes that he has the confidence of businessmen, despite his thesis on another price freeze, something which is regarded by Delfim Netto, for example, as another "magic wand," and is even criticized by one of the economists who drafted the Cruzado Plan, who is certain today that under the present conditions in the country, freezing the economy would mean freezing a Frankenstein. With a government which is gradually disintegrating, however, it will be difficult for any minister to pursue anything which even vaguely resembles an economic policy.

5157

CSO:3342/117

SAO PAULO RESIDENTS PESSIMISTIC ON PROSPECTS FOR ECONOMY

Sao Paulo FOLHA DE SAO PAULO in Portuguese 28 Apr 87 p A-10

[Article by editorial staff: "Residents of City of Sao Paulo Say Funaro's Departure Futile"]

[Text] Most residents of the city of Sao Paulo believe that with the departure of Dilson Funaro from the Ministry of Finance the nation's economic situation will either grow worse (34 percent) or remain the same (31 percent). Of the 1,021 residents of the city who were interviewed yesterday by DataFolha, only 28 percent believe the situation will improve with Funaro's departure. Despite their pessimism regarding the outlook for the economy, a majority (49 percent) [as published] of those interviewed approved of the minister's departure, as against 35 percent who disapproved of his downfall.

The highest approval rating for Funaro's departure was found among men (52 percent), compared to 46 percent among women.

The survey also disclosed that the city's residents are divided as to whether the minister's replacement will lead to a change in economic policy: 43 percent of those interviewed believe the change will not bring any alteration of the present economic policy of the government, while almost the same percentage (42 percent) believe Funaro's departure will bring a change in that policy.

Serra and Delfim

Of those who believe there will be a change in policy, 50 percent think it will be for the better and 33 percent for the worse. Of those who believe the policy will remain the same under the new minister, the majority believe the economic situation will either deteriorate (38 percent) or remain the same (47 percent), as against only 11 percent who anticipate an improvement in the economic picture.

A majority of those interviewed (60 percent) were unable to suggest anyone to head the Ministry of Finance. Jose Serra, economist and federal deputy (PMDB-SP) [Brazilian Democratic Movement Party-Sao Paulo] was the name most often mentioned, with 9 percent of the preferences. The second most often mentioned name (6 percent) was that of Federal Deputy Delfim Netto (PDS [Social Democratic Party]-SP), followed by those of Minister of Culture Celso Furtado (4 percent), Dilson Funaro himself (2 percent), and Senator Mario Covas (2 percent).

Table 1. Minister of Finance Dilson Funaro submitted his resignation this weekend. Do you approve or disapprove of the minister's departure?

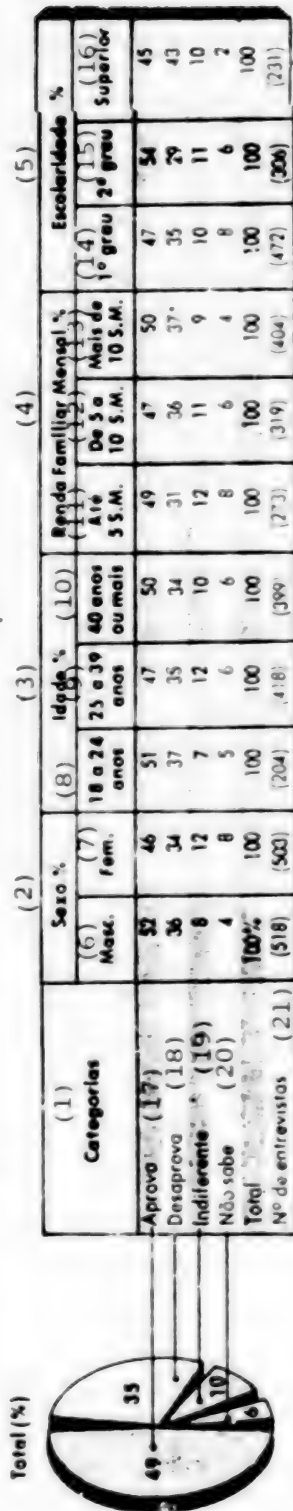
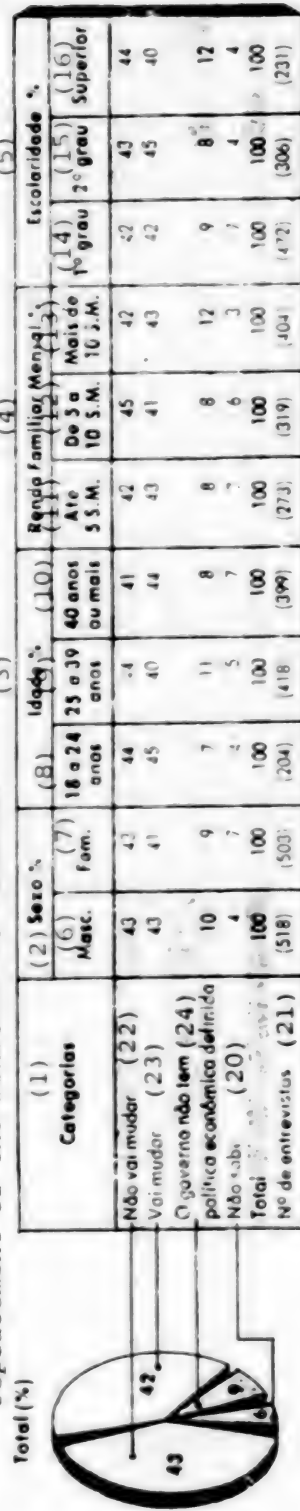


Table 2. In your opinion, will the economic policy of the government change, or not change, with the replacement of the minister of finance?



Key:

1. Categories
2. Sex
3. Age
4. Monthly household income
5. Education
6. Male
7. Female
8. 18 to 24 years
9. 25 to 39 years
10. 40 years or more
11. Less than 5 times minimum wage
12. From 5 to 10 times minimum wage
13. More than 10 times minimum wage
14. Elementary school education
15. Secondary school education
16. Higher education
17. Approve
18. Disapprove
19. Don't care
20. Don't know
21. Number of interviews
22. Will not change
23. Will change
24. Government has no clearly defined economic policy

Table 3. In your opinion, will the national economy improve or deteriorate with the departure of Dilson Funaro?



Table 4. If you could choose, who should be Funaro's replacement as minister of finance?

Categories	Total (%)
Jose Serra	9
Delfim Netto	6
Celso Furtado	4
Dilson Funaro	2
Mario Covas	2
Someone from PMDB	2
Others	15
Don't know	60
Total	100
Number of interviews (1,021)	

10992

CSO: 3342/114

BRAZIL

POLL SHOWS MAJORITY FAVOR DEBT PAYMENT LIMIT, PRICE CONTROL

Rio de Janeiro O GLOBO in Portuguese 3 May 87 p 9

[Text] Brasilia--On the recommendation of the Planalto Palace, the Gallup Institute carried out a survey in Rio and Sao Paulo between 11 and 20 April of this year, interviewing 1,282 persons of all social classes in the metropolitan area. The results indicated that 60 percent want an agreement reached with the government to stabilize prices and wages. It was on the basis of this poll, an adviser at the Planalto Palace said yesterday, that President Jose Sarney proposed a "national union" between the government and the workers during his 1 May statement, in order to avoid spiraling inflation.

The poll was released by the Planalto Palace yesterday through the Brazilian News Enterprise. According to Gallup, there are indications that the vast majority of the public "is very willing to support the government if it proposes an agreement between the businessmen and the workers to establish parity in wage and price increases."

The group interviewed was chosen from the adult population, divided equally between men and women, in Rio and Sao Paulo, representing social categories A (9 percent), B (18 percent), C (35 percent), and D and E (38 percent). The ages of those interviewed were between 18 to 29 (40 percent), 30 to 49 (40 percent), and 50 and over (20 percent).

The vast majority, 70 percent, regards a social agreement in Brazil at this time as useful, although recognizing that this is a difficult task. But in the view of 60 percent of those interviewed, this agreement can be achieved. A half of those interviewed believe that the Sarney government is strong enough to make such an agreement effective, and this group further said that it should "force" the businessmen and workers to reach such an agreement.

Gallup interprets this as meaning that "Social agreement must not be left up to the initiative of the businessmen and workers alone. It will be necessary for the government to take a firmer stand, demanding that the agreement be reached in the national interest."

In the opinion of the Gallup analysts, the poll further indicates that an agreement on stabilizing wages and prices is a more feasible proposal than the social pact. According to the majority of those interviewed, the government

should also "supervise the implementation of the agreement." Gallup further concluded that if President Sarney decides to supervise this agreement, he will have the support of the same supervision by the people achieved for the Cruzado Plan in its initial stage.

The poll concluded that the social agreement is from the point of view of public opinion, "acceptable and desirable if implemented forcefully, decisively and zealously."

Debt Limit

The foreign debt should be paid. This is the opinion of 80 percent of the people in Rio and Sao Paulo. However, the vast majority (72 percent) urge the establishment of a maximal annual limit, while only 14 percent favor nonpayment, and 8 percent are of the opinion that Brazil should meet the creditors' demands.

Those interviewed responded positively to the social use of land, state participation in the economy and strict price control. These results were seen in the third part of the poll entitled "The Constitution the People Want," which was taken by the Gallup Public Opinion Poll and was published 2 weeks ago in O GLOBO.

Approval of the establishment of an annual ceiling for the payment of the foreign debt (72 percent) was balanced between Rio (73 percent) and Sao Paulo (71 percent), while suspension won greater support in Rio (16 percent) than in Sao Paulo (13 percent).

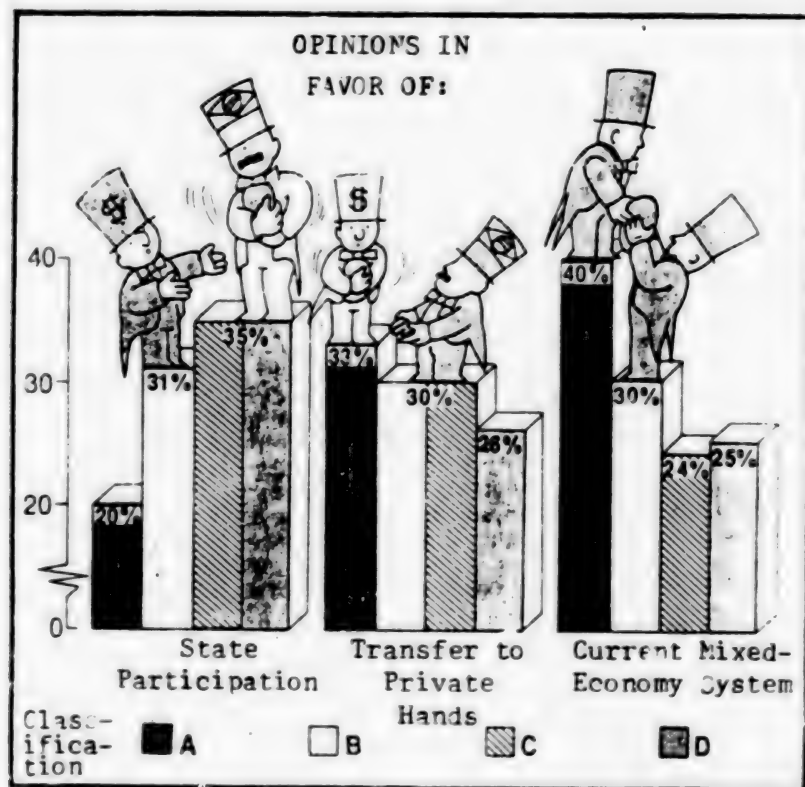
Only 20 percent of those questioned defended the right of rural owners not to cultivate their land. This was a substantially smaller number than those who believe that the government should require cultivation (79 percent). The Gallup Institute supplemented this question to those interviewed with another: "In order to ensure that land is cultivated, should the government collect very high taxes or expropriate and redistribute unused land?" Almost two thirds (66 percent) favored redistribution, and of this number 2 percent also favored the collection of high taxes. Only 12 percent favored taxation alone.

In the portion of the poll on state economic involvement, the responses were clearly defined by class and age group. The older groups and those with greater purchasing power favored private enterprise, as opposed to those with lower income and of younger age, who favored state participation. The following question was asked: "In your opinion, should state enterprises function only in the essential sectors of the economy, or should they function in other sectors as well, or should all of the state enterprises be gradually transferred to private hands?" Of those interviewed, 33 percent favored expanding state involvement, 29 favored transfer to private hands and 27 percent urged the continued coexistence of the two systems. On this question the younger citizens, those between 18 and 19 years of age, were divided, with 40 percent favoring state involvement, 27 percent favoring transfer to private hands, and 25 percent defending the current system. Among those over 50 years of age, the preference was reversed: 30 percent supported the current situation, 28 percent favored transfer to private hands, and 24 percent

avored state participation. In the intermediary age group of those between 30 and 49, an equal number (31 percent) favored state involvement and transfer to private hands, and 26 percent favored the mixed system.

The majority of the inhabitants of Rio and Sao Paulo (64 percent) said they advocate price control by the government, and they defended the punishment of speculators. Another 29 percent expressed the view that the authorities should allow increases within certain limits, while 6 percent favored free prices. These results are distributed inversely, depending on social class. The more an individual earns, the more likely he is to favor a free market. Thus category A had 52 percent in favor of control, as compared to 48 percent for free prices. In category B, the results were somewhat different, with 56 percent for control and 43 percent for free prices. In categories C and D, state intervention had the support of 66 and 68 percent, respectively, while free prices were favored by 33 and 30 percent.

The Gallup Institute interviewed 1,349 individuals in Guarulhos, Osasco, the ABCD Region, Sao Paulo and Greater Rio. There were 741 persons interviewed in Sao Paulo and 608 in Rio.



FEBRUARY UNEMPLOYMENT RATE SET AT 3.4 PERCENT

Unemployment Worse in Big Cities

Rio de Janeiro O GLOBO in Portuguese 29 Apr 87 p 24

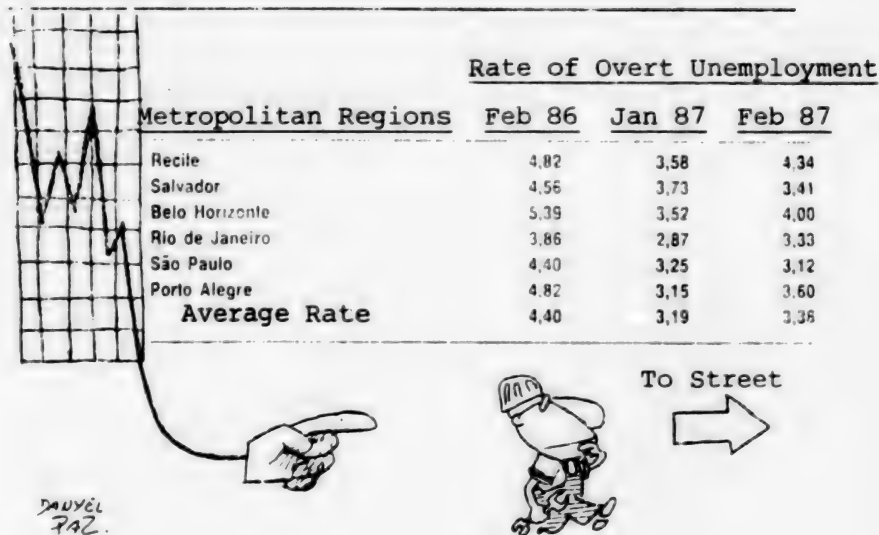
[Text] The average rate of overt unemployment for February 1987 was 3.4 percent, representing a 6 percent increase over the figure for January, which was 3.19 percent. This is the lowest figure recorded for any February since 1983 and 23.2 percent below the figure for February of last year, which was 4.4 percent.

These data--announced yesterday by the Brazilian Institute of Geography and Statistics (IBGE)--are taken from the National Employment Survey. They reflect the ratio between those persons 15 years of age and over who were seeking employment during the survey week and the economically active population [PEA]. The most significant increases in the overt unemployment rate from January to February were recorded as follows: in manufacturing, Belo Horizonte with a 31.5 percent increase; in commerce, Recife with a 71.5 percent, Porto Alegre a 37 percent, and Rio de Janeiro a 29.1 percent increase; in the service industries, Porto Alegre with a 39.7 percent and Recife with a 26.1 percent increase.

The 6 percent growth in the average rate of overt unemployment for February in relation to January was highlighted by Recife, with a 21.2 percent increase; Rio de Janeiro, 16 percent; and Belo Horizonte, 13.6 percent.

The ratio between the number of wage earners with a signed employment booklet and the number of employed persons increased from February 1986 to February 1987 by 3.6 percent in Rio de Janeiro and by 3.2 percent in Belo Horizonte. The proportion of employed persons who are unremunerated--or who receive less than the minimum wage--increased significantly from January to February, reaching an average rate of 29.9 percent.

Table 1. More Unemployed in the Big Cities



11.7 Percent Increase in Greater Sao Paulo

Rio de Janeiro O GLOBO in Portuguese 25 Apr 87 p 25

[Text] SAO PAULO--The unemployment rate in Greater Sao Paulo City during March recorded an increase of 11.7 percent over the figure for February, representing an increase of 62,000 persons.

The manufacturing sector led this trend, discharging or laying off a total of 40,000 workers. The total of wages paid decreased by 11.8 percent between November 1986 and February 1987.

These data were announced yesterday by the Interunion Department of Statistics and Socioeconomic Studies (DIEESE) and the State Service of Data Analysis (SEADE). According to the economist Walter Barelli, they indicate that the economy is showing ominous signs of deceleration in the Greater Sao Paulo region.

"We cannot characterize these data as indicating a recession," Barelli said, "but once these factors get out of hand, they're difficult to control." Barelli is technical director of DIEESE and has been proposed by the trade union movement for a post on the National Monetary Council.

The greatest cause for concern--according to Walter Barelli--is the fact that the unemployment figures for the manufacturing sector are so high at this time of year--at a time when the highest unemployment rates have always been recorded in the commerce and service sectors. In March there was a decrease of 11,000 jobs in the commerce sector and 10,000 in the service sector.

Moreover, there was a 3.6 percent decline--from January to February of this year--in the real purchasing power of wage earners.

The recession cannot be characterized as an established fact--says Walter Barelli--because a comparison with the unemployment rate for March of last year shows that there is still some leeway, even though the Economically Active Population (PEA) has increased. The unemployment rate for last month was 23.4 percent below the figure for March 1986, and the PEA 3.6 percent above the figure for that month.

In the case of wage earners' income, however, the trend is--by any standard of comparison--exclusively downward, a circumstance that means less demand and reduced production. Workers' wages at the present time are worth 19.6 percent less than they were in August of last year.

With the increase in unemployment and the decline in real purchasing power, almost all the ingredients for a recession are now present, pending a decision by the government to make the investments that it has planned on paper. According to the DIEESE technical director, the construction of low-cost housing and hydroelectric plants could offset the existing trend.

10992

CSO: 3342/114

BRAZIL

DNPM ESTIMATES GOLD SMUGGLED IN 1986 AT 56 TONS

Sao Paulo FOLHA DE SAO PAULO in Portuguese 28 Mar 87 p A-25

[Article by Amundsen Limeira]

[Text] The smuggling of gold produced in Brazil is increasing. The total rose from 40 tons in 1985 to 56 tons last year, according to preliminary estimates made at the beginning of this year by the National Mineral Production Department (DNPM) of the Ministry of Mines and Energy. At today's prices on the international market, this means that the value of the smuggled metal in the past 2 years came to \$1.27 billion (\$529,260,000 in 1985 and \$740,930,000 in 1986), the equivalent of 27.8 billion cruzados. This also represents about 1 percent of the total Brazilian foreign debt, or 10 times the differential in the trade balance of Brazil as of January of this year.

Marcos Maron, 34, who is the assistant to the director of the Mineral Economy Department of the DNPM, says that the official registered production of gold in 1986 was 24.1 tons, the lowest since 1982, when 25.5 tons were processed. Of the total official extracted in the last fiscal period, 14.7 tons came from the goldfields and 9.3 tons from the mechanized enterprises. Compared to 1985, a drop of almost 20 percent can be seen, while what that body calls "estimated real production" increased from 70 to 80 tons in that period.

The "diversion" is visible if one notes the contribution of the goldfields, which account for more than 60 percent of the total quantity of gold processed in the country. "The figures on the production of the goldfields refer to the portion recorded through tax documentation, and represent the officially recognized production. This portion is dwindling each year as a result of the indiscriminate increase in the diversion of the product in the goldfield areas. It is estimated that the production recorded in 1986 came to only something like 20 percent of the actual production. About 56 tons of what was produced in the goldfields must have been diverted during the year."

These statements are found in a report drafted by the DNPM covering Brazilian gold production between 1982 and 1986. This document was signed by Marcos Maron. As to the information on the production of the goldfields, Maron said yesterday that it was obtained from the main national goldfield centers--Alta Floresta and Peixoto de Azevedo, in Mato Grosso; Cumaru, Serra Pelada and Tapajos, in Para; and Rio Madeira, in Rondonia.

Uruguay

The assistant to the director of the Mineral Production Department stated that, on the basis of figures released by the U.S. Bureau of Mines, a division of the Department of the Interior in the United States, Brazilian gold is being smuggled into Uruguay, for the most part. Another source of "diversion" is the illegal sales conducted domestically, without the payment of taxes.

"It cannot be said with certainty that all of the gold exported by Uruguay to the United States comes from Brazil. But Uruguay does not produce gold, and even so, according to the U.S. Bureau of Mines, that country exported 101 tons to the United States alone between 1980 and 1985," Marcos Maron said.

5157

CSO:3342/118

DNPM ESTIMATES 1986 GROWTH OF MINERAL SECTOR AT 3 PERCENT

Sao Paulo GAZETA MERCANTIL in Portuguese 3 Apr 87 p 19

[Text] Rio--According to the estimates made by the Mineral Economy Division, the physical production of the mineral extraction industry increased 3 percent last year over the previous year, as reported to this newspaper yesterday by the general director of the National Mineral Production Department (DNPM), Jose Belfort Bastos. According to the DNPM director, that slight "atypical" growth reflected the "shrinkage in the production of crude oil, which in 1986 recorded the lowest production and growth rate (4.8 percent) of the last 5 years." Belfort stressed that the overall growth index in the Brazilian mineral sector has been strongly influenced by the performance of oil production.

In value, the Brazilian mineral production was estimated at 100 billion cruzados, representing 4 percent of the gross domestic product (GDP), showing a negative performance of 35 percent, because of the reduction in international prices of certain mineral substances, such as bauxite, tin, iron, petroleum, and tungsten. Based upon DNPM's production indicators, the largest growth in the physical production of minerals last year was in gypsum concentrate, which increased 23.3 percent, rising from 560,000 tons to 691,000 in December 1986. Asbestos production, developed by the multinational, Samas, in Goias, has a record increment of 23.3 percent, increasing from 165,000 tons to 204,000 last year. The domestic production of fluorite showed a growth of 16.8 percent.

According to the DNPM director, at present the national production of iron ore, developed by six iron producing companies prominent among which is the Rio Doce Valley Company [CVRD], has had a 3.7 percent increase, rising from 127.7 million tons in 1985 to 132.5 million last year. He underscores the entry into operation, during 1986, of the CVRD's Carajas Project, which produced 14 million tons of ore. Upon the initiation of Carajas, Rio Doce Valley reduced its production in Minas Gerais to nearly 118 million tons, showing an 18.5 percent reduction of production in that state, compared with 1985. As a result of this, the Rio Doce Valley production was 6.3 percent under that of 1985.

There was a 3.4 percent rise in the production of manganese ore, a basic component for steel production. The producing firms moved from a production of

2.320 billion in 1985 to 2.4 billion last year. To the surprise of the DNPM technicians, the largest producing company, Icomi, located in Amapa, had an 8 percent cut in production. This decline was offset by the increase in the manganese supply from the Igarape Azul Project, in Carajas, run by Rio Doce Valley. As for the national coal production, Belfort disclosed a 9.8 percent reduction. The production of energy coal dropped 12.1 percent, decreasing from 6.2 million tons to 5.5 million in 1986; and metallurgical coal showed a slight increase: from 1.398 million in 1985 to 1.4 million in 1986.

Belfort also stressed the decline of 19.8 percent in the official gold production. Last year, Brazilian gold production amounted to 24,124 kilograms, in comparison with a larger production last year in the mines and prospecting areas, totaling 30,059 kilograms. Unlike the official results, the industrial segment operated by the mining companies confirmed the good performance of recent years, having attained 9.3 tons, compared with 8.3 tons in 1985. According to Belfort, the official production from the prospecting areas has now dropped from 21.7 tons in 1985 to 14.8 tons in 1986; showing a 33 percent reduction. Belfort disclosed that, this year, there should be a rise in industrial production to 15 tons of gold.

In the non-ferrous minerals sector, the national production of bauxite ore remained unchanged in comparison with 1985, increasing only 0.7 percent.

2909

CSO: 3342/111

BRAZIL

SUGAR EXPORTS TO BE RADICALLY REDUCED IN 1987

Rio de Janeiro O GLOBO in Portuguese 26 Apr 87 p 48

[Article by Lucio Santos: "Sugar Exports Will Decline Sharply in 1987"]

[Text] Brazil will sell no sugar to any other countries this year. Except for the 200,000 tons negotiated by INTERBRAS [Petrobras International Trade, Inc.] with Iraq in exchange for petroleum, Brazil will limit itself to fulfilling a part of the shipping contracts that have been signed for this year--up to a maximum of 1.3 million tons--according to Abelardo Jurema, director of exports of the Sugar and Alcohol Institute [IAA].

This means that the world's principal grower of sugar cane will remain out of the world market, and--Jurema says--there are still no predictions as to when it will again be selling sugar. Last year Brazil exported 2.5 million tons of sugar, obtaining receipts of \$384.4 million (9.2 billion cruzados), but the IAA has contracts to ship 2.9 million tons of sugar between now and 1990, most of it during next year.

The director of exports of the IAA further says that world prices will continue to be low despite the fact that they have increased by 22.5 percent in the first quarter of this year, according to data of the Center for Foreign Trade Studies Foundation [FUNCEX]. This crisis reached its climax in 1985 when the price of sugar dropped to only \$60 (1,440 cruzados) per ton, which at that time was less than the price of an equal quantity of sand.

But the increased production--and the world recession that occurred in the ensuing years as a result of the petroleum crisis--brought prices down again. This means that if the IAA had not enjoyed a monopoly of the export of sugar, buying from the growers at a price of \$250 (6,000 cruzados) per ton and reselling it at lower prices, the Brazilian sugar industry would already have gone bankrupt.

Brazil did, however, export 585,800 tons of sugar between January and March of this year, obtaining receipts of \$85 million (2 billion cruzados), compared to sales of 786,800 tons and receipts of \$92.3 million (2.2 billion cruzados) for the same period in 1986. This means that the average price per ton went from \$117.45 (2,818.80 cruzeiros) in the first quarter of 1986 to \$145.42 (3,490.08 cruzados) in the first quarter of this year.

One of the principal reasons for the increase in the price of sugar on the international market--according to a study made by FUNCEX experts--was the prospect that world production would be less than consumption, as a result of the decreased availability of the Brazilian product and the failure of the Cuban crop. The director of exports of the IAA added that sugar purchases by the Soviet Union (estimated at 1.3 million tons) on the world market during March; the poor sugar crop in the south central region of Brazil (approximately 15 percent below normal); and the rain-induced delay in harvesting the north-eastern crop also contributed to the rise in world prices.

Abelardo Jurema also disclosed that the 13 percent increase in domestic sugar consumption last year--and the 19 percent increase in alcohol consumption--reduced the prospects for Brazil to export any more sugar this year. This situation reached the point that in late January the Ministry of Industry and Commerce initiated studies looking toward the importation of sugar to meet domestic demand. However, after the government concluded that the situation was not so serious, and the IAA confirmed that it would fulfill the shipping contracts for this year, the price of sugar on the world market--which had risen to \$218 (5,232 cruzados) per ton in March--fell once again and today fluctuates around \$190 (4,560 cruzados) per ton.

10992

CSO: 3342/114

BRIEFS

PETROBRAS INVESTMENT CUTS—The board of directors of the PETROBRAS has decided on a 15 percent cut in its 42.5 billion cruzados of planned investment for this year. The exploration and production sectors will be affected, threatening the oil production goal for next year. The study proposed by the president of PETROBRAS, Ozires Silva, during the meeting of the enterprise board of directors on 29 April is necessary because of the inadequate resources obtained from the sale of fuels and the need to avoid an increase in short-term foreign indebtedness. This debt figure doubled between January and April, reaching \$1.6 billion, the head of the planning service (SERPLAN) of the state enterprise, Cid Rodrigues, said. The SERPLAN will study the revision of the programs, with a report to be submitted to the officers of the company within 30 days. The head of the SERPLAN said that priority will be given to continuing the projects which provide the best short-term economies in foreign exchange, but he stressed that the oil production goal for next year will be threatened. The day before the proposal was made, Ozires Silva said that the resources were guaranteed. And he joked: "I believe that we will survive and that we will not need pallbearers this year." According to Cid Rodrigues, the request for the study was due to the uncertainty about the resources to be obtained, since the program was based on a policy of adjusting the prices of byproducts which was never implemented. The financial recovery of PETROBRAS, according to the head of the SERPLAN, depends on updating the foreign exchange rate in the price structure for byproducts (21.8 cruzados), increasing the state conversion price, which is 3.32 cruzados per liter; and changing the time period for purchases of alcohol from the producers from 6 to 12 months. [Excerpt] [Rio de Janeiro O GLOBO in Portuguese 1 May 87 p 20] 5157

CFP RECORD CROP FORECAST--According to estimates made by the Production Financing Company (CFP), this year's record grain harvest should prove even larger than predicted in February. The April figure indicates a yield of 65.9 million tons, that is, 600,000 tons over the previous forecast, and 11.3 million tons more than in the 1986 harvest. However, by the year's end that figure could drop or rise, because the wheat and barley crops have not yet been planted, and the CFP forecast includes an estimate of the 1986 harvest, which was 5.6 million tons of wheat and 131,000 tons of barley. According to Edison Lemos, chief of CFP's harvest division, the change in the estimate occurred because of the gain in productivity of the soybean and corn crops, which are at the height of the harvesting. If those two crops retain the same planting areas

as last year, and the productivity continues to rise, the grain harvest could amount to 66.7 million tons. According to CFP, to date the cotton crop is 55 percent harvested; that of rice, 32 percent, in the South-Central area, Bahia, and Rondonia; beans, 3 percent, from the second harvest in Sao Paulo and Parana; corn, 30 percent, in the South Central area and Bahia; and soybeans, 30 percent in the country, and 60 percent in the states of Sao Paulo and Parana. [Text]
[Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 Apr 87 p 23] 2909

CSO: 3342/111

EXTRADITION POLICY PROMPTS LEGAL DEBATE

Bogota EL ESPECTADOR in Spanish 2 May 87 pp 1A, 10A

[Passages enclosed in slantlines printed in italics]

[Text] Bogota—A sharp clash has broken out between the two highest legal bodies in the country, the Supreme Court and the Council of State, as a result of their diametrically opposing positions on the processing of the extraditions from Colombia to the United States.

In an unexpected, secret decision, the Council of State asserted that the Criminal Appeals Division of the Supreme Court is obliged to rule first on extraditing Colombian criminals wanted abroad, and that not to do so "would amount to a violation of the universal right to a hearing and defense."

Since February of this year, citing legal technicalities, the Criminal Division has stopped issuing judgments on all the extraditions requested by the U.S. Government prior to 12 December of last year.

Consultation

The president of the republic and the minister of justice refused to accept this position taken by the Court, so they decided to consult with the Council of State. This is the question they submitted to it:

"Can the national government grant extraditions to the United States of America that were formulated before 12 December 1986, without a prior favorable judgment by the Supreme Court of Justice Criminal Appeals Division?"

And the Consultation and Civil Service Board responded categorically: "The government may grant extradition only upon receipt of a favorable judgment by the Criminal Appeals Division of the Supreme Court of Justice."

The presiding judge of the Criminal Division, Justice Jorge Carreno Luengas, regards the opinion of the top tribunal for administrative disputes as very respectable, but not something that obliges his court to change its position.

New Reconsideration

He told EL ESPECTADOR, however, that the Court has not discounted the possibility of reconsidering the processing of extraditions once again after a careful examination of the opinion issued by the Council of State.

He warned that if the position against issuing rulings is reevaluated, it will be done by means of the next judgment handed down on the latest extraditions sent by the Justice Ministry.

This explains why on Wednesday of last week the Juridical Office of the Justice Ministry sent three new extraditions to the Court, so that the respective ruling could be issued, even though these extraditions were requested by the U.S. Embassy before 12 December 1986.

As reported, the extraditions sent to the Court for ruling were those of Maria Elena Murillo, Carmenza Valenzuela Martinez, and Maurice Enrique Rincon. The petitions in these cases were executed on 5 September 1985, 30 July 1986, and 26 August 1986, respectively.

Attorney General Speaks

National Attorney General Carlos Mauro Hoyos Jimenez stated that his proposal that the approval of the Extradition Treaty with the United States be submitted to Congress once again is gaining popularity, because it would prevent more legal controversies.

For this reason, the head of the Public Ministry abstained from expressing any opinion on whether the Council of State's decision was right or wrong, arguing that "it is improper for the attorney general to take sides."

This newspaper also interviewed the head of the Justice Ministry, Eduardo Suescun Monroy, but it could not get any reaction; he stated that this was not the appropriate time for him to comment.

History of the Controversy

The history of the controversy over the Court's refusal to rule on the extraditions began on 17 February of this year, when the Criminal Division refused to sustain or overrule the extradition of Colombian Victor Eduardo Mera Mosquera to the United States.

On that occasion the Court established a new doctrine, noting that the ruling on 12 December 1986 that Law 27 of 1980 (which incorporated the Extradition Treaty into our legislation) was unenforceable had legal effects on the requests that had not yet been processed completely.

One of these effects is that the Court is not obliged to rule on extraditions requested before 12 December last year, because if Law 27 is unenforceable, these petitions must be processed on the basis of previous treaties, which do not envision any participation by the high court.

Law 27 of 1980 was declared unenforceable by the Court because it found that the president of the republic did not sign it following normal procedure, but it was signed instead by a designated minister.

This impasse was resolved 2 days after the Court's ruling, on 14 December, when President Barco once again signed into law the extradition legislation. This time it had a new number, Law 68 of 1986.

Procedures Affected

But the Court contends that these 2 days of unenforceability were enough to interfere with all the extradition procedures that were going on at the time, because they were governed by previous extradition pacts.

And the Criminal Division warned that the previous treaties with the United States did not provide for the Supreme Court to issue a ruling.

But the Council of State sees the matter differently; based on the certifications issued by the Ministry of Foreign Relations, the Extradition Treaty with the United States is in effect, and to implement it one must also take into consideration the provisions of the Inter-American Convention, approved by Law 74 of 1935, "to the extent that its provisions are compatible with the subsequent treaty."

Right to Defense

This convention states in Article 8 that "the extradition petition shall be resolved in accordance with the internal legislation of the petitioned State; and said legislation may provide for the petition to be resolved either by the judiciary or by the executive branch. The individual whose extradition is requested may resort to all instances and recourses authorized by such legislation."

The Consultation Board concluded on this basis that for the extradition of nationals, the procedure set forth in Colombia's internal legislation must be followed, and according to the Code of Criminal Procedure, that involves a ruling from the Supreme Court.

The Council of State explains that "the prior favorable ruling by the Criminal Appeals Division of the Supreme Court of Justice is a *sine qua non* for extradition to be granted, because it guarantees the right to a hearing and defense through the examination, with the participation of the person whose extradition is requested, of all questions of fact and questions of law that will enable the Court to conclude, with good cause, that the extradition is proper or improper. The violation or omission of this procedure would amount to a violation of the universal right to a hearing and defense."

"The Board considers that:

"1. The Board, by means of a document dated 12 March of this year, requested that the minister of foreign relations certify whether the treaty signed by Colombia and the United States, which was initially approved by Law 27 of 1980

and subsequently by Law 68 of 1986, is still in effect, and whether the Inter-American Convention approved by Law 74 of 1935 is still in effect. The Ministry of Foreign Relations, by means of communication No. 0508 of 19 March 1987 from the chief of the Juridical Affairs Division, answered in the affirmative, that is, that the aforementioned treaties are in effect. With regard to the treaty signed by Colombia and the United States on 14 September 1979 and approved by means of Law 27 of 1980, according to this communication, 'the exchange of ratification instruments, a formality provided for in Article 21 of the treaty for its effectiveness, took place on 4 March 1982,' which was also 'promulgated, pursuant to Law 7 of 1944, by means of Decree 1781 of 17 June 1982.' The communication also notes that 'in compliance with the judgment issued on 12 December 1986 by the Supreme Court of Justice in open court, the president of the republic once again signed into law, on 14 December 1986, the legislation approving the extradition treaty, reproducing Law 27 of 1980 in its entirety,' and that 'given that the treaty has been in effect since the date when the ratification instruments were exchanged, it was not necessary to effect a new exchange subsequent to the second signing into law.'

"With respect to the Inter-American Convention, to which reference has been made, the communication states that 'it was approved by means of Law 74 of 1935,' and that 'the deposit of the ratification instrument took place on 22 July 1936, and the Convention took effect for Colombia 30 days after the deposit, pursuant to the provisions of Article 21 of that instrument.'

"2. The Board considers that the declaration by the Ministry of Foreign Relations attests, with the laws approving them, to the existence of the aforementioned treaties, both because that entity is responsible for managing diplomatic relations, and because for this very reason, it has on file all the documents and certifications relative to the same treaties.

"Moreover, the communication from the Ministry of Foreign Relations also notes that the treaty signed by Colombia and the United States on 14 September 1979, and approved initially by Law 27 of 1980 and subsequently by Law 68 of 1986, has been in effect 'since the date when the ratification instruments were exchanged,' which means that it is not necessary to effect a new exchange subsequent to the second signing into law. Thus, according to the above-mentioned document, this treaty has been in effect, without interruption, since 4 March 1982.

"3. According to Article 141, Ordinal 1 of the Constitution, the Council of State is to 'serve as a supreme consultative body of the government on matters of administration.' It exercises that power pursuant to Article 98, Number 2 of Decree-Law 01 of 1984, the Consultation and Civil Service Board of the Corporation.

"As stated by the chief of the Administrative Department of the Office of the President of the Republic, the consultation with the Board is of an administrative nature, to the extent that it entails solving a problem related to the means of executing the treaties which, according to the Ministry of Foreign Relations, are in effect.

"4. Article 733 of the Code of Criminal Procedure provides that 'it is the function of the Executive Branch, through the Justice Ministry, to offer or grant the extradition of a defendant or a convict to another country, in the cases authorized by the Penal Code, and to establish the order of precedence when there is more than one extradition request.'

"Article 17 of the Penal Code provides that 'the extradition shall be requested, granted, or offered in accordance with public treaties,' and that, in the absence of such treaties, 'the government shall request, offer, or grant extradition pursuant to the provisions of the Code of Penal Procedure.'

"Nevertheless, it specifically stipulates that 'the extradition of Colombians shall be subject to the provisions of public treaties,' and that 'in no case shall Colombia offer to extradite nationals or grant the extradition of those accused or convicted of political crimes.'

"This statement leads to the conclusion that in no way can the extradition of nationals convicted of political crimes be granted; that the government cannot offer to extradite nationals, and that in the cases of extradition not prohibited by law, 'the provisions of public treaties' shall be observed. The extradition of foreigners, in the absence of public treaties, is governed by the provisions of the Code of Criminal Procedure.

"5. The treaty signed by Colombia and the United States, being a subsequent instrument that is of a special nature between the two countries, according to Article 30 of the Vienna Convention (the pact on treaty law which was approved by Colombia by means of Law 32 of 1985), takes precedence, with regard to its contents, over the Inter-American Convention approved by Law 74 of 1935. Nevertheless, the latter should also be applied 'to the extent that its provisions are compatible with the subsequent treaty.'

"Along these lines, the Board considers that the requests for extradition to the United States, formulated on the basis of the treaty signed by that country and Colombia in 1979 and approved initially by Law 27 of 1980 and subsequently by Law 68 of 1986, should be resolved in the manner set forth in Article 8 of the Inter-American Convention, approved by Law 74 of 1935, which provides the following:

"'The extradition petition shall be resolved in accordance with the internal legislation of the petitioned State; and said legislation may provide for the petition to be resolved either by the judiciary or by the executive branch. The individual whose extradition is requested may resort to all instances and recourses authorized by such legislation.'

"Therefore, Article 8 of the Inter-American Convention on extradition defers to the procedure set forth in the internal legislation of each country to resolve extradition requests. In the case of Colombia, this procedure is stipulated in Title IV, Chapter III of the current Code of Criminal Procedure.

"6. In addition, the above points are corroborated by Articles 9 (Number 7) and 16 of the extradition treaty signed by Colombia and the United States in 1979 (approved initially by Law 27 of 1980 and subsequently by Law 68 of

1986), which state, respectively, that 'the petitioned State shall study the documentation submitted in support of the extradition request to determine whether it meets the legal requirements, /before submitting it to the judicial authorities . . ./' (Board's emphasis), and that 'if the laws of the petitioned State do not specifically prohibit the extradition of the person requested, and provided that said person agrees in writing and irrevocably to his extradition after having been personally informed by a judge or magistrate exercising jurisdiction regarding his rights to a formal proceeding and to the protection provided thereby, the petitioned State may grant his extradition without carrying out the formal proceeding.' Thus, the two precepts quoted here refer, respectively, to the 'judicial authorities' who should hear the extradition request and to the 'formal proceeding' that should be carried out to resolve it, unless the requested person, having been duly informed by a judge or magistrate exercising jurisdiction, agrees in writing to the 'simplified extradition,' that is, without going through the formal proceeding. The latter refers to the proceeding specified in the Code of Criminal Procedure, as provided by Article 8 of the Inter-American Convention on extradition, approved by Law 74 of 1935.

"7. The procedure that applies for resolving the extradition request includes, among other proceedings, the submission of the case to the Criminal Appeals Division of the Supreme Court of Justice so that it can issue the ruling referred to in Articles 735 and 746 of the Code of Criminal Procedure. According to the first of these articles, the granting of extradition, which is a prerogative of the government, 'requires a prior favorable judgment by the Criminal Appeals Division of the Supreme Court of Justice.' This means that Articles 735 and 746 of the Code of Criminal Procedure assign the Criminal Appeals Division of the Supreme Court of Justice the responsibility of ruling for or against the extradition request, without prejudice.

"8. /The prior favorable ruling/ by the Criminal Appeals Division of the Supreme Court of Justice is a /sine qua non for extradition to be granted/, because it guarantees the right to a hearing and defense through the examination, with the participation of the person whose extradition is requested, of all questions of fact and questions of law that will enable the Court to conclude, with good cause, that the extradition is proper or improper. The violation or omission of this procedure would amount to a violation of the universal right to a hearing and defense.

"Hence, Article 16 of the treaty signed by Colombia and the United States, as stated earlier, allows 'simplified extradition' to be granted only if the person requested, having been duly informed 'of his rights to a formal proceeding and of the protection provided thereby,' waives that right 'in writing and irrevocably.' This also explains why Article 735 of the Code of Criminal Procedure requires a prior favorable judgment by the Criminal Appeals Division of the Supreme Court of Justice, because if the ruling should be unfavorable, this would mean that the Court did not find any legal merit in the extradition request.

"From all of the above points, the following conclusions can be drawn:

"1. Any extradition petitions made on the basis of the treaty signed by Colombia and the United States in 1979, approved initially by means of Law 27 of 1980 and subsequently by Law 68 of 1986, pursuant to Article 8 of the Inter-American Convention approved by Law 74 of 1935 and Articles 9 (Number 7) and 16 of the first of the aforementioned treaties, should be resolved by following the procedure stipulated for this purpose in the current Code of Criminal Procedure.

"2. This procedure implies the government's obligation to submit the case to the Criminal Appeals Division of the Supreme Court of Justice so that, guaranteeing the right to a hearing and defense, /it may rule/ for or against the extradition request, /without prejudice/.

"3. /The government may grant extradition only upon receipt of a favorable judgment from the Criminal Appeals Division of the Supreme Court of Justice./

"4. Given that the aforementioned treaty, signed by Colombia and the United States in 1979, has been in effect, as attested by the Ministry of Foreign Relations, since 4 March 1982, no matter what the date of the extradition request, as long as it is made subsequent to the effective date of this treaty, the conclusion is the same: The government may grant extradition only upon receipt of a favorable judgment from the Criminal Appeals Division of the Supreme Court of Justice.

"Separate certified copies of this document shall be delivered to the chiefs of the Administrative Department and the Juridical Secretariat of the Office of the President of the Republic.

"Signed, /Jaime Betancur Cuartas,/ Chairman of the Board; /Humberto Mora Osejo, Jaime Paredes Tamayo, Gonzalo Suarez Castaneda, and Elizabeth Castro R., Secretary./"

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CSO: 3348/304

GOVERNMENT OBJECTS TO LAND SEIZURES BY PEASANTS

Bogota EL TIEMPO in Spanish 29 Apr 87 p 7A

[Text] Sincelejo, 28 April--The government has warned the peasant organizations in the country that neither the seizure of land nor permanent occupation constitutes the best path toward resolving the acute problems of land ownership. It expressed confidence in the approval of a new agrarian reform law before the year ends, with the support of the various political groups in the Congress, while at the same time promising efforts to include the majority of the municipalities in Sucre in the National Recovery Plan.

These statements were made by the presidential adviser on peace affairs, Carlos Ossa Escobar, during a meeting of peasants from the 24 municipalities in the department prior to the scheduled visit by government officials today, Wednesday, to the southern zone of Majagual for the purpose of installing the first Recovery Committee in the region of La Mojana, where there have been seizures of land by armed groups.

Just hours before Ossa Escobar arrived, the peasant members of the DRI National Consumers Association (ANDRI) began their second national assembly. They intend to draft a plan of action and to propose mechanisms to integrate the rural development programs with the zones subject to agrarian reform.

The national leader of the DRI, Jorge Bustamante Roldan, announced investments totaling \$200,000 in connection with the World Food Program, the construction of a plant to process paper pulp from agave fiber, in the amount of 1 billion pesos, the replacement of coca plantings and a program of communal and neighborhood stores for marketing on the national level.

Government Explanations

Presidential adviser Ossa Escobar said that whether or not the draft agrarian reform is approved, this year will see progress in land transfers, since the government has allocated resources to the INCORA so that the processes of purchase and assignment can go forward.

This high official arrived here in the company of Gabriel Montes Llamas, manager of the ICA; Fabio Bermudez Gomez, manager of the INCORA; the national

director of the Hospital Fund, Eduardo Diaz Uribe; Alvaro Silva, representing the directors of the IDEMA; and Rodrigo Zapata, representing the peasant affairs department of the Presidency of the Republic.

Ossa Escobar explained, moreover, that while it is true that the government will support popular demonstrations and proposals, it will spare no effort to ensure respect for the law and private property.

"The authorities are not in the service of the strongest, and we will adhere to this principle," Ossa said, while urging the peasants to cease seizing land as a means of exerting pressure, "because those who do this are polarizing forces." And he added: "At this time of acute and widespread agitation, we must seek a peaceful solution within the framework of legality, in order to avoid the kind of bloodshed from which the country has suffered for decades."

He proposed to the peasants an immediate plan to unify the program of land purchasing, since in his view, the problem is not the division of land, but the creation of the conditions needed to increase the production of foodstuffs and ensure the greater welfare of the community.

Peasant Petitions

The 3,000 peasants who gathered in Olaya Herrera Square took action through the leaders from the various localities and groups, and they jointly complained of mistreatment and economic violence on the part of the landowners, who subsequently described those claiming their rights as guerrilla fighters.

Tulio Oliveras, Matias Funes, Juan Hernandez, Julio Gutierrez and Hector Conde Campos, among others, said that they favor unwavering support of the proposals of President Virgilio Barco for change, but they explained that there should be no doubt that, if the necessary steps are not taken to resolve the conflicts within a reasonable time, they are prepared to block the roads leading into the department and to step up the seizures of land.

The peasants met until well into the evening with representatives of the government to define the priorities for the department of Sucre. Also, the delegates to the National Assembly in ANDRI will continue their separate discussions in Tolu today, Wednesday.

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CS0:3348/311

ICA ANNOUNCES NEW AGRARIAN REFORM STRATEGIES

Bogota EL ESPECTADOR in Spanish 22 Apr 87 p 8A

[Text] New strategies with a view to a long-term increase in the production of foodstuffs, providing greater income for the country and the small peasants in a number of departments, have been drafted by the Colombian Agricultural-Cattle Institute (ICA), its director, Gabriel Montes Llamas, has announced.

The new ICA undertaking is a part of the larger plan being drafted by the Barco government in connection with the National Recovery Plan (PNR) and the battle against absolute poverty.

The Institute's plan calls for an increase in the production of the foodstuffs which are regularly harvested in the regions affected by violence and poverty, with priority for the peasant smallholder, in the initial stages, and then the average peasant.

These regions, a total of 12 for 1987, to which technical units for research, extension and technological training have already been assigned by the Institute, are La Palma, La Dorada, Barrancabermeja, Puerto Berrio, Choco, Uraba Antioqueno, Norte del Huila, Chaparral, Ariari, Alto Sinu and San Jorge, Caqueta and Arauca.

These technical units are carrying forward research with a view to improving seeds, production and the harvesting of foodstuffs, and they are the centers which will disseminate the new technology in the various regions.

In its studies, the ICA has included the seeds of various fruits and cacao, with a view to increasing national production and stepping up exports of these foodstuffs.

In accordance with Law 12 of 1986, which gives the municipalities greater administrative autonomy, the ICA will sponsor the establishment of technical units in each of the municipalities involved.

Improvements

As a result of demonstration plots established and research done on the farms themselves, the ICA hopes that the peasants can resolve their own farm problems and can be trained to disseminate the necessary technology throughout their regions.

Montes Llamas said that one of the factors limiting the advances the Institute can achieve is the lack of communications from which such zones as Los Llanos, Magdalena Medio and the southwestern part of Colombia suffer.

The ICA director explained that "With the demonstration plots, the peasants will be able to see what their neighbors are doing and that these methods are improving their production of livestock or crops, and thus they will be motivated to utilize the new techniques."

He also said that "Research on the farms themselves will enable the peasants to carry forward the necessary improvements and will deal with the problem of lack of communication."

Within the housing improvement plan, the National Center for Appropriate Technology will advise peasants on making the necessary changes in the facilities on their plots, domestic implements and new harvesting tools.

Harvesting implements will be adapted to the regions and will use draft animals, keeping production costs low.

"Unfortunately, our domestic industry is not very interested in producing these products, because there is not a very great demand," this official commented.

Participants in the plan will also include the IDEMA, with the storage centers; the Agrarian Fund, for the distribution of supplies

ESTABLISHMENT OF AGRICULTURAL RESEARCH FUND PROPOSED

Cali EL PAIS in Spanish 29 Apr 87 p B2

[Article by Diego Hernan Canal]

[Text] The development of high intensity crops in Valle del Cauca, making it possible to improve foreign-exchange income and to create a considerable number of jobs, has been proposed by the president of PROCANA, Rodrigo Cruz Lozada. This would be done through the establishment of an Agricultural Research Fund.

"Valle del Cauca makes a very small contribution to the nation's foreign-exchange income, and one way of increasing it is to sponsor research to make it possible to develop farm products bringing a better return on the international market, such as tropical fruits," Cruz Lozada said.

The union leader submitted a proposal during the PROCANA assembly, calling for the establishment of a Valle Agricultural Research Fund, with the allocation of 1 percent of the proceeds of sales by the cane-growing sector for the purpose.

This proposal was approved by the members of this union, and it was immediately presented to Governor Manuel Francisco Becerra, who was asked for his support. Now a joint meeting with the government and sugar-sector leaders is planned, with a view to obtaining their approval and implementation of the plan.

Rodrigo Cruz based his proposal on the fact that Valle del Cauca has ceased to make a contribution to the national economic picture with the foreign-exchange earnings which have been traditional for the sugar sector.

Because of the current world market situation resulting from the protectionist policy of the European Economic Community and the United States, the price of sugar has dropped to minimal levels, with the natural effects on the economy of this department.

In view of the above, Cruz Lozada proposes that a research center be established so as to step up efforts to achieve better exploitation of the soil and the characteristics of the tropical products the department produces.

In his bid for support, the trade union leader exhibited a photograph taken at a Japanese market, showing the cost of 100 grams of tree-cactus fruit as 500 yen, approximately \$3, and he added that just one such fruit may weigh up to 250 grams. In other words, a single one of these fruits, which can be cultivated here without difficulty and without high cost, has a value for public sale on the international market of approximately 1,400 pesos.

"We must make use of the assets God gave us, and one of these is fruits. Thus it is necessary to find a way to exploit them," Rodrigo Cruz said.

He explained that in no way is an effort being made to replace sugar cane, because this is the product on which the departmental economy has been based. Instead, what is wanted is to use other hectares out of the 400,000 available in the valley to raise more productive crops.

"A hectare in sugar cane produces 350,000 pesos a year, while a hectare planted to pineapple or tree cactus could bring in up to 2 million pesos," he said.

In addition, Cruz Lozada said that the growth phase in the sugar business is now over, and a process of leveling off can be seen. He compared this movement to the curve in a statistical chart, which begins to decline toward the end.

But the proposal made by Rodrigo Cruz has not as yet won the necessary support. However, as he says, he has only had the opportunity to submit it to the sugar-sector leaders and the governor.

He said that what he wants, as he explained to the PROCANA, is to unite the private sector in Valle so that the region can move forward instead of continuing to lose out in comparison with Antioquia, for example, which despite the difficulties in Uraba, is exporting products worth \$220 million a year, as compared to \$160 million for Valle.

In the opinion of Rodrigo Cruz, the problem lies in the lack of unity which characterizes the leadership of the department and prevents joint action for the development of the region from being launched.

"It is the function of the private sector to serve as the vehicle for development and the creation of wealth, and whenever it ceases to perform this function, society will be threatened," he said.

At the present time, the conditions exist for promoting crops in the department which will bring in higher income. He noted, however, that there is no need to upset the sugar economy.

"There have already been individual cases, such as that in Los Grajales, where the means of exploiting fruits have been mastered. However, this was an individual effort, such that there was a risk of failure."

Moreover, in the view of Cruz Lozada, the problem lies in large part in the conservatism to be found in the agricultural sector, where it is believed that

trying something new is madness. This is an attitude which needs to be revised.

To achieve this, he said, we are now trying, through the PROCANA, to establish this research fund, because, he added, a country or industry which does not engage in research is doomed to stagnation.

"This way of thinking has plunged us into complacency about what we are doing, and we do not live in an era of complacency, but rather one of sacrifice and commitment," the trade-union leader stressed.

In order to break away from the old practices, he urges research on new economic branches, above all in agriculture, given the characteristics of Valle, with emphasis on the fruit subsector--that in which the region enjoys a natural advantage.

"The project I am proposing is the establishment of the Valle Agricultural Research Fund, with the allocation of 1 percent of the proceeds of the sales of the sugar sector, so that on this basis the pertinent research can be done where new plants, as well as markets, are concerned."

Proof of the progress made with research has been provided by the CENICANA. Without this work, the cane-cultivating sector would not have the productivity and resistance to plant disease it does today.

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CSO:3348/311

CHARACTERISTICS OF SPECIAL COURT FOR POLITICAL CRIMES DESCRIBED

Bogota EL TIEMPO in Spanish 26 Apr 87 pp 1A, 6A

[Article by Roberto Pombo]

[Text] The government created a special court yesterday, made up of three high-ranking magistrates, with the assignment of investigating crimes "which have caused deep social disturbance or trauma." Its purpose is to clarify the crimes which have been committed against members of the Patriotic Union (UP).

This tribunal was established by decree under the state of emergency, and its members will be appointed by the Supreme Court of Justice. The requirements for serving on the court are the same as those for serving on the Supreme Court.

These judges have the authority to decide, based on their criteria, which crimes are characterized by such disturbance or trauma, and to undertake their investigation. The court may order that it be given any kind of aid in making the pertinent investigations, and the various authorities must provide the assistance requested for this purpose.

This step was approved at an extraordinary ministerial council meeting held yesterday in the Casa de Narino to examine mechanisms for dealing with the serious problem posed by the numerous attacks made in recent months on political leaders, especially members of the UP.

The decision to establish this special court was made after a number of meetings held by a working team headed by President Barco and including the ministers of government, justice and defense and the legal secretary of the Presidency.

The legal mechanism is based on the jurisdiction of the Supreme Court of Justice for appointing special courts, as provided by Belisario Betancur for the investigation of the events at the Palace of Justice.

Virgilio Barco's government has faced serious problems because of this situation, since the court trials for crimes committed against political leaders, specifically those of the UP, have had no visible results, and this situation has contributed to tensions in the political environment.

Toward the middle of last month, President Barco sent a letter to the National Criminal Investigation Council asking for "redoubled efforts to investigate the crimes which have been committed in various parts of the national territory against members of the public bodies and other leaders of political parties and movements."

"I am sure that you understand that this kind of crime creates a special unease in the community," the president said at that time, "and it may, on occasion, lead to an atmosphere which hinders the normal development of the democratic processes."

However, the investigations into these crimes have not made any visible progress, for which reason the government appointed the working group mentioned to find a flexible and efficient mechanism for investigating this kind of crime, under the constitutional provision which gives the president the duty of "seeing to the prompt and full administration of justice throughout the entire republic."

The court established yesterday has no territorial limitations (its jurisdiction is national), and the judges have the authority to select the crimes they will investigate, if in their opinion they cause "deep social disturbance or trauma." In addition, they can request all of the resources necessary to carry out this task efficiently, and this assistance must be provided by the pertinent authorities.

The text of the decree follows.

"The President of the Republic of Colombia, in the exercise of the faculties conferred upon him by Article 121 of the Political Constitution, pursuant to Decree No 1038 of 1984, and whereas: In various parts of our national territory, criminal acts have been committed, causing serious social trauma and creating additional difficulties in reestablishing public order;

It is essential to strengthen the investigative bodies of the state by the establishment of a special court on the highest level to contribute to the clarification of this disturbing criminal process;

It is the duty of the government to see to the prompt and full administration of justice throughout the republic;

Decrees:

Article 1. That a Special Investigative Court to be made up of three judges be created. They will be chosen by the Supreme Court of Justice and will have jurisdiction over the entire national territory. This court will function for as long as the disturbances of the public order continue and the state of emergency prevails in our national territory.

Article 2. The duty of the Special Investigative Court will be to look into the crimes against life and personal integrity causing such special social disturbance as to aggravate the violations of public order and to make its reestablishment difficult.

Article 3. The judges of the Special Investigative Court must meet the same requirements as the Political Constitution establishes for the magistrates of the Supreme Court of Justice. They will have the same wage and benefit scale as these magistrates, and will be installed in office by the president of the republic.

Article 4. Prosecution by the state in the Court will be the duty of a special prosecutor appointed by the attorney general of the nation, whose rank and remuneration will be the same as the magistrates before whom he pleads.

Article 5. The Special Investigative Court will have all of the attributes provided by the norms in effect in the criminal investigation sector.

The National Criminal Investigation Office and its sectional departments will make available to the court being created such investigative judges as are needed to carry out the duties its magistrates assign to them.

The investigative processes will be ordered by the magistrate to whose department the matter pertains, and may be carried out by him directly or by the criminal investigation judge or judges he chooses for the purpose.

The Judicial Police will process the requests formulated by the Special Court or the investigative judges it delegates and will give them priority over other matters.

Article 6. The ruling in accordance with which the Court takes over the investigation of a crime or crimes has the effect of overriding the authority of any other court which may be dealing with the matter. Within the 10 days following the effective date of this ruling, any dossiers which may have been developed must be turned over to the Court.

Notification of this ruling will be effected in accordance with the ordinary procedural norms, and will simultaneously be published in a daily newspaper with broad national circulation. Appeals for reversal can be filed against such rulings.

This provision will not apply when on the basis of the Constitution or the laws in effect, the defendant must be tried by a special court or judge.

Article 7. Government employees are required to provide assistance to the magistrates of the Special Investigative Court and the investigative judges, on a direct and preferential basis. All public bodies will take the necessary administrative steps to this end.

No exceptions can be claimed with regard to any documents, reports or statements the Court or the investigative judges may request.

Article 8. Any government employee who fails to render the aid requested of him or who delays it without due cause will be liable to charges of misconduct, for which the penalty will be dismissal, to be imposed by his superior after granting the accused a hearing.

Article 9. Public bodies on all levels will, at their own expense, provide the cooperation requested of them by the Court, in such fields as forensic medicine, criminology, ballistics, toxicology, and in general, any others which may contribute to clarifying the actions being investigated.

Similarly, requests made the Court in connection with transportation and communications resources for the proper execution of its functions will be satisfied immediately.

Article 10. The sessions of the Court will be held in Unity Hall, except for the issuance of the judgment which concludes the investigation, which will be approved by a vote of the majority of its members in the Plenary Hall.

Article 11. When the investigation has been concluded and the pertinent judgment rendered, the dossier will be turned over to the Supreme Court of Justice, Criminal Cassation Division, which will rule as the court of the sole instance on the matter.

Once this judgment has been handed down, it will be made public.

Article 12. The Supreme Court of Justice, Criminal Cassation Division, or the special court or tribunal with jurisdiction to rule on the matter, may call for the extension of the investigation for a period of 30 days at the most.

Article 13. The Special Investigative Court will have the following staff: 3 magistrates for the Special Investigative Court, 6 auxiliary magistrates, a secretary, 3 superior officers, 10 clerks, 3 summons officers and 6 drivers.

Article 14. The office of the special prosecutor for the Special Investigative Court will have the following staff: a special investigative prosecutor, an auxiliary attorney, a secretary, a trial lawyer, a summons officer and a driver.

Article 15. In matters not covered by this decree, the norms set forth in the Criminal Procedures Code will apply to the Special Investigative Court.

Article 16. The government is authorized to undertake all of the budget operations necessary for the proper execution of the provisions of this decree.

The contracts which the Rotating Fund of the Ministry of Justice must execute for the proper functioning of the Special Investigative Court will only require, for execution and validity, the signatures of the parties and the budget registrar.

Article 17. This decree will be effective as of the date of its publication, and any provisions contrary to it are suspended.

It is ordered that this decree be published and implemented.

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CSO:3348/306

ARIAS' PEACE PLAN 'BOON' TO SANDINISTS

San Jose RUMBO CENTROAMERICANO in Spanish 10-14 Apr 87 p 11

[Commentary by Oscar Alvarez]

[Text] For now, everyone is supporting the Arias administration's Peace Plan. Therein lies the strength . . . and the weakness of the plan. For 4 years we all supported the peace efforts of the Contadora Group. From Reagan to Gorbachev, from the Pope to the Dalai Lama, the internationals, the governments of Latin America—all concluded their resolutions on Central America with "decisive support for the peace efforts of the Contadora Group." Those declarations became a kind of ritual for international forums. The consensus on the Contadora objectives did not bring either the pacification or the democratization of Central America. At the end of the cycle of Contadora negotiations, facing skepticism and a diplomatic vacuum, President Arias' Peace Plan emerges as an alternative. The plan is earning widespread support both nationally and internationally. It first won a consensus at the domestic level; it was supported by the Catholic Church, by the media, by the leader of the democratic opposition, and by the vast majority of citizens. Then it began to attract international followers, especially THE NEW YORK TIMES, THE WASHINGTON POST, the U.S. Senate, the democratic governments of Central America, and finally the Contadora Group and the Contadora Support Group. Since the Contadora Group supports the plan, it is highly likely that more and more governments and political leaders will accept its objectives. There is where the plan will find both its strength and its weakness. The government in Managua vehemently opposed the Peace Plan when it was just an initiative by the Arias administration without major international support.

It vociferously denounced the plan as a "Yankee" program that was interventionist in nature. Now that the plan is backed even by the Contadora Group, a turnaround in Managua's diplomacy on this key issue is likely. I would not be surprised if Managua even began saying that it accepts the spirit and the objectives of the plan, although it has reservations about its content. Managua will not want to look like an obstacle to democracy and peace in the region. In Esquipulas, everyone may agree on objectives and generalities, and then move on to their reservations. Everyone will support the objectives of the Arias Plan. Some will surreptitiously try to undermine it. The Sandinists are working toward a single basic goal: the beginning of a new cycle of interminable negotiations that will allow them to remain in power another 4 years. Emerging from the labyrinth of Contadora, we would enter the labyrinth of Esquipulas. Contadora II.

LIZANO ON PRESENT STATUS, FUTURE PROSPECTS FOR ECONOMY

San Jose RUMBO CENTROAMERICANO in Spanish 3-9 Apr 87 pp 5-6

[Interview with Central Bank Executive President Eduardo Lizano by Marcela Angulo, Ricardo Lizano, and Ana Lupita Mora; date, time, and place not given]

[Text] Costa Rica's situation demands realistic diagnoses and, what is worse, bitter medicine. If anyone thoroughly understands that, it is Eduardo Lizano, that economist for whom political calculations have no place in the assessment of situations and the formulation of proposals. His time in public office did not limit his academic interests, and thus the echoes of the truths he had been proclaiming for so long in university lecture halls even reached Central Bank headquarters. Although his general diagnosis is far-reaching, he prefers to avoid confrontations even with his most vociferous detractors. His schedule during his final hours as executive president of the Central Bank was as tight as on any workday for him. It included an exclusive interview with RUMBO, which was put together by journalists Marcela Angulo, Ricardo Lizano, and Ana Lupita Mora.

[Question] During your last press conference, you warned that the country's economy was not progressing as quickly as was needed. Previously, however, at the Costa Rican-American Chamber of Commerce, you had asserted that "Costa Rica's economic and social prospects are not promising. The country runs the risk of economic stagnation and social collapse." There appears to be a contradiction between the two diagnoses. Why was your later assessment more positive than the first one?

[Answer] I don't think they are contradictory. Our economy is growing at a rate of 2 or 3 percent a year, the same as the population growth rate. And this means stagnation. When per capita income does not grow, the economy is stagnant, and the country is bogged down.

[Question] You proposed some corrective measures to make the Costa Rican economy more competitive on the international market (national savings, accepting the challenges and risks of competition, reordering the public sector), and you defined some aspects that must be taken into account when formulating economic policy. Do you think it is possible to implement the measures you advocate in this country, under a Liberationist administration, with Oscar Arias as president?

[Answer] If Oscar Arias decides to carry out a program of structural adjustment, I see no reason why it can't be done. What we must bear in mind, however, is that the measures involved in a plan aimed at achieving economic growth of 5 or 6 percent a year (now that growth depends on nontraditional exports outside the Central American Common Market) entail a number of important political and social costs. It is impossible to promote economic development (and by that I mean an annual growth in per capita income) without producing a series of social and political conflicts in the country.

[Question] And do you think that Oscar Arias is willing to pay that price?

[Answer] I don't know. You'll have to ask him that.

[Question] In more specific terms, do you think it is possible for this government to implement your proposals?

[Answer] I believe so. Soon the government will be sending a mission to the World Bank, where the topic of discussion will be the structural adjustment. It will be headed by Jorge Manuel Dengo, and he will be accompanied by Fernando Naranjo and Otton Solis. I don't know if they will be successful or not, but the government is making a clear effort in that direction. That program will involve a series of measures to make the economy grow more rapidly, and we must bear in mind that these measures will entail social costs which will require attention and political costs which will require management.

[Question] Would the country tolerate such measures?

[Answer] To answer no to that question would be to admit that the country cannot develop. Between 1950 and 1975, Costa Rica doubled its per capita income in real terms, and the population doubled in size. This means that in that quarter century, Costa Rica dealt with the political and social costs of that growth.

[Question] Would you say that since then the country has lost that ability to pay the costs of development?

[Answer] The problem is that between 1975 and 1985, we were beset with an international crisis that has never been known in Costa Rica since World War II. The two jumps in petroleum prices, the great devaluation, the foreign debt, all these things. It was up to the administration of Luis Alberto Monge to try to stabilize the economy financially, and it did so. That was the period of stability without growth. Now the country must ask itself whether it intends to continue along that path, or whether it will move toward stability with growth.

The commitments we made to the International Monetary Fund (IMF) are pointing the country toward the decision the president made to maintain stability, from the standpoint of inflation and the exchange rate. As a result of the negotiations with the World Bank, we may end up with stability with growth,

which would be ideal. It would be tragic to go through a new period of stability without growth.

[Question] In your speech, you also spoke of "a marked absence of vision in dealing with the situation, and a lack of will to move the economy forward." Is the government more responsible than other sectors?

[Answer] No. Business groups have a tremendous responsibility, although they are the ones who should be providing the most impetus for a structural adjustment. I do not hear the Chamber of Industries demanding a reduction in tariffs so that we can begin a process in which businessmen are forced to be more competitive. Nor do I hear the Chamber of Agriculture doing any such thing. Instead, there are sectors calling for national self-sufficiency, which is just the opposite of a structural adjustment program. Possibly the only exception is the Chamber of Commerce, which has favored a reduction in customs duties.

[Questions] Judging by your experience in the Central Bank, which sectors are most resistant to participating in the "open economy" you are advocating?

[Answer] All the ones that are enjoying the benefits of protectionism, whether through tariffs or through restrictions on imports or exports.

[Question] In the case of agriculture, which groups are the most resistant to change?

[Answer] Well, there we have basically the producers of basic grains, milk, and sugar. In these cases, the protectionism does not come so much from tariffs as from controls on imports and exports.

[Question] You also complain that there is no willingness to put public finances in order, an initiative which you must admit corresponds to the public sector. What is the reason for that lack of decisiveness?

[Answer] First of all, I must note that public finance is a key factor in the structural adjustment. The amount of resources the public sector is using prevents interest rates from coming down, and that makes a number of investment projects unprofitable for the private sector. The road to reactivation and economic growth necessarily passes through the reordering of public finances.

But it is one thing to say that it is up to the executive branch to take the initiative in this area, and quite another thing to say that the responsibility lies with the public sector. Sometimes that objective can be blocked by the reaction of the private sector.

[Question] What differences could you feel between the last administration and this one, especially with regard to the promotion of structural change?

[Answer] The previous government's basic priority was stability, not growth. I think that, given the financial state of affairs when Luis Alberto Monge

took over, he acted correctly. And although there was one year when growth was 7 percent in real terms, the main thing was stability.

[Question] It is said that during Monge's administration, there was a tendency to allow technical officials such as yourself to act with more freedom, but the same is not true under this administration. Is that so?

[Answer] No. The style of the presidents is different. Luis Alberto Monge delegated a little more to the minister of the presidency, Danilo Jimenez. But neither of them is an economist; they are both politicians. Luis Alberto Monge simply maintained political control over economic decisionmaking, which does not mean that he ignored things. Moreover, some specific matters were resolved at his residence in Pozos, Santa Ana.

[Question] And what about Oscar Arias?

[Answer] Well, he participates quite a bit more in technical matters. From that point of view, the two men's styles are different. But I would not say that technical officials have been limited in their functions, or that they had more power in one government than the other.

[Question] Have you felt that the president was interfering in any way in the affairs of the Central Bank?

[Answer] No.

[Question] Could it be said, though, that he has shown more interest in your work?

[Answer] Well, on some details. He is a former minister of planning, and he is used to more technical-economic details than Luis Alberto Monge, who participated primarily in overall policy matters.

[Question] Agriculture Minister Alberto Esquivel asserted in an interview published in RUMBO's issue number 102 of 10 October 1986 that your proposals will make us increasingly dependent on international organizations. Do you think your economic initiatives are a threat to democracy?

[Answer] The country must make a major effort to be less financially dependent on other countries. The degree of dependence it has already acquired limits its freedom. But precisely to lessen our external dependence, we need a policy of economic growth that will enable Costa Rica to rely on more resources to achieve that independence. As long as we continue to grow at an average rate of 2.5 to 3 percent, much of our national investment will have to be financed by external savings, and that will make us more financially dependent, especially if we consider the enormous foreign debt we have.

On the other hand, many of the measures included in the pacts with the International Monetary Fund (IMF), the Agency for International Development (AID), the World Bank, or the Inter-American Development Bank (IDB) would have

to be taken by the country anyway. Furthermore, some decisions would be more severe if we did not reach an agreement with the IMF.

Is a development process compatible with democracy? In some countries, it has only been possible to promote development through a revolutionary movement. Economic development is a process that involves changes which prompt the formation of groups for and against. That conflict may take place through democratic means sometimes, other times not. Costa Rica has shown that the groups favoring change are more powerful, and that the confrontation has taken place in a civilized manner. I am an optimist, and I believe that here we will be able to achieve development without endangering the democratic system.

[Question] Oscar Arias said once that organizations such as the IMF do as much damage to democracy as terrorists. What is your opinion?

[Answer] I do not believe that in the specific case of Costa Rica the IMF has been a factor of social destabilization. I have never heard the IMF say that it is necessary to shut down schools or hospitals, or that wages should be cut. What it is asking us to do is show that more than a certain amount can be spent. When we reach an agreement on this point, we are free to cut spending as we see fit.

[Question] Is it possible to attain economic efficiency in Costa Rica without undermining the political democracy?

[Answer] In the long run there is no possibility for democracy if there is no efficiency, and vice-versa. If the structural adjustment program is not carried out, if our economy does not grow, we have stagnation; and that, in my opinion, is not a good breeding ground for democracy.

[Box, p 6]

Urgent . . . Very Urgent

The specialists agree in their diagnosis of the economic situation in 1987; there are no significant differences. In fact, there is a certain amount of agreement on the remedy that should be applied to bring the national economy back to health.

Consejeros Economicos y Financieros S.A. (CEFSA), a private group of economic consultants, gives its view of the prospects for 1987, based on the assumption that the government will sign and implement a pact with the IMF, and that it will be successful in rescheduling the foreign debt:

- Lower growth in real production
- Delicate situation in the external sector
- Lower inflation
- Restrictive monetary and credit policy
- Reduction of consolidated budget deficit
- Less expansive wage policy

According to CEFSA, "it is to be expected" that there will be attempts to reduce the consolidated public deficit through new tax revenues, budget cuts, and confronting the Central Bank's losses.

A few days before Eduardo Lizano resigned as executive president of the Central Bank, he contended that the country runs the risk of economic stagnation. He argued that to prevent this, it is necessary to:

- Rationalize the size of the public sector and make it more effective
- Boost national savings to reduce dependence on foreign resources
- Seek new markets to expand and diversify exports, and subject the productive apparatus to the risks of competition on the foreign market

Lizano insists that to increase exports and deal with foreign competition, it is imperative that these three aspects be taken into consideration:

1. Economic policy does not consist of protecting certain groups of producers (he is opposed to tariff barriers, price fixing, cheap credit, moratoriums, readjustments, and subsidies); production makes sense when it meets the demands of consumers.
2. It is preferable to produce goods for which the country is especially well suited, both for the domestic market and for export, and to import those goods which cannot be produced under satisfactory conditions.
3. The efficiency with which a country manages its resources is reflected in its export capacity. The more it exports and can import, the better its prospects.

Costa Rica in Figures
Projections for 1987

	Central Bank	CEFSA	INCAE**	COUNSEL
Growth of real GDP	* 2.8	2.1	1 to 2	3
Inflation (%)	11	13.2	15	13 to 15
Devaluation (in colones)	66	67	66-69	70
Budget deficit (billions of colones)	7	9	10	9

*MIDEPLAN (1986 economy and prospects for 1987)

**Projections calculated by Francisco de Paula Gutierrez at a recent seminar sponsored by INCAE

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CSO: 3248/301

RIFT BETWEEN ESQUIVEL, LIZANO OUTLINED

San Jose RUMBO CENTROAMERICANO in Spanish 15-23 Apr 87 pp 5-6

[Article by Ricardo Lizano]

[Text] In September of last year, only 3 months after Oscar Arias had taken office, the country was informed of the first conflict to shake that administration. Led by Minister of Agriculture and Livestock Alberto Esquivel, those in charge of the agriculture-livestock sector confronted the so-called economic team of the government, whose main representative was the executive president of the Central Bank, Eduardo Lizano.

There were reasons for the confrontation. Days earlier, a document by Lizano had begun circulating. Under the suggestive title "The Carrot and the Stick," the economist outlined what he thought the government's agriculture-livestock policy should be. He advocated giving some sort of opportunities to farmers (the carrot), but he warned of the need to eliminate the benefits paid to those who were not efficient in utilizing resources (the stick). This implied cutting the production subsidies for certain commodities, suspending subsidized interest rates by state banks, and lifting import restrictions. All of these proposals were presented in the context of the decisions the country must make to reach agreements with entities such as the International Monetary Fund (IMF) and the World Bank.

But the reaction was quick. Alberto Esquivel was the first to take aim at Lizano's initiatives. Unaccustomed to political niceties, he took direct aim at the Central Bank official and the IMF. During an interview published in RUMBO in the issue of 6-10 October 1986, he declared: "It is becoming apparent that the president of Costa Rica belongs less and less to the people of Costa Rica and more and more to the international organizations." Then he added: "I would not want the executive president of the Central Bank to have us begging for food."

The controversy was resolved in favor of Esquivel. Although it did not reveal where it would get the 2 billion colones required for financing, the government announced an agriculture-livestock policy that provided for subsidized bank interest, production incentives, and the readjustment of debts.

Nevertheless, the differences did not end there. The application of all these measures inevitably clashed with the negotiations the government was conducting with the IMF and the World Bank, on which the country depends for stability and economic growth. Costa Rica has maintained good relations with this type of institution--after the crisis in the Carazo administration--since 1982, when Luis Alberto Monge took office.

The latter's team of economists consisted of Carlos Manuel Castillo in the Central Bank, Federico Vargas in the Finance Ministry, and Rodolfo Silva in the foreign debt negotiations. Later on, there was a slight change, and Porfirio Morera was also part of that team. Although there were always a few disagreements, Costa Rica significantly improved its ties with those organizations, as well as its image in the international financial world.

This situation has not changed, so far, under the present administration. Although Eduardo Lizano joined the Central Bank during the previous administration, he became one of the principal figures in the "economic team" that works with Oscar Arias. In addition to him, this group consists of Fernando Naranjo at Finance, Luis Diego Escalante at Economy, and Ernesto Rohrmoser as foreign debt negotiator. Jorge Manuel Dengo, current first vice president of the republic, has played an important role on both teams.

Alberto Esquivel, in the final analysis, was pitted against all of them. All of them members of the National Liberation Party (PLN), the aforementioned economists have points in common, and in the last two administrations, they have attained perhaps more importance than they had ever had before. Other sectors of that political group resent that.

Although Esquivel has never been what is known in the PLN as a "party man," he was considered very close to Oscar Arias, with whom it was said he worked closely during the political campaign.

Trapped between the harsh reality portrayed by Eduardo Lizano and the demands of Alberto Esquivel, it appeared that the president had finally decided in favor of the agriculture minister. This was the interpretation that prevailed in political circles last 26 March, when Lizano announced his resignation as executive president of the Central Bank.

From that point on, there were those who predicted a change in the government's economic positions. It was thought that the chief of state would choose the path of "populism," the term used in political jargon to describe positions such as that defended by Esquivel. Officials did not attempt to hide the uncertainty that was generated by Lizano's resignation, as indicated by the first vice president himself. Jorge Manuel Dengo, in statements published in the last issue of RUMBO, confessed that he felt "uncomfortable."

Although Arias accepted Lizano's resignation, he did not dare appoint a replacement without consulting with Fernando Naranjo. They considered a list of six names, and finally agreed on Carlos Espinach, a successful businessman who is a member of the Central Bank Board of Directors, although he is not well known in the political world.

Esquivel, however, managed to win the battle but not the war. He forgot that sometimes in politics form matters as much as content. Just one day before Espinach was to take office, he made some statements to the press that ended up costing him dearly. He spoke of economists who, sitting "at a table over toast and coffee," were attempting to control the destiny of the country. He was obviously alluding to Eduardo Lizano and the other members of the government's economic team.

And that was as far as it got. Espinach told Arias that under such circumstances, he could not take the job at the Central Bank. Fernando Naranjo announced that if Espinach resigned, he too would pull out. Consequently, the president asked Esquivel to step down and asked Lizano to come back. The uncertainty in international financial circles caused by Lizano's departure did not fail to have an influence on Arias.

Esquivel's departure, however, has not put an end to the dissent in the government team. His positions are supported by important members of the cabinet, most significantly Planning Minister Otton Solis, Housing Minister Fernando Zumbado, and presidential adviser Jhon Ehiel. All of them, in one way or another, disagree with the economists, whom they always accuse of forgetting about the political aspects when they assess situations and propose solutions.

This confrontation is also having an impact within the PLN. On the "economic team," which has emerged victorious, well known "castle-builders" such as Fernando Naranjo and Eduardo Lizano himself stand out. Former President Daniel Oduber, on the other hand, has been defeated once again, not only because Esquivel is one of his closest political friends, but also because for several months he has been questioning the current administration's economic policy.

That sector of leaders who are most loyal to the Liberation tradition may believe that Oscar Arias has simply given in to the pressure of international organizations, and therefore they will demand that the party take action and remain vigilant, now more than ever. It seems to be no coincidence that just 2 days after Eduardo Lizano returned to the Central Bank, the president came out to warn of the danger of unemployment that is threatening Costa Rica, a way of ingratiating himself with them.

The government's position with respect to the PLN will become even more difficult, considering that sectors opposed to that movement have hailed Lizano's return, and these attitudes always bothered some Liberationists. But Oscar Arias does not appear to be losing any sleep over these risks. He has faced them on other occasions, and he will do so again, since he already knows how to contend with them, after all.

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CS0: 3248/301

NEGLIGENCE, OLD EQUIPMENT CAUSE TRAIN ACCIDENTS

Havana BOHEMIA in Spanish No 13, 27 Mar 87 pp 26-27

[Article by Enrique Valdes Perez]

[Excerpts] After learning the opinions of retirees at the Cienaga Club in Havana regarding the cause of railroad accidents, three specialists from the Transportation Ministry (MITRANS) give us their opinions on this burning national issue.

They are Luciano Prieto, director of railway safety, and Walfrido Hierrezuelo, joined later by Leonel Cortes, a specialist in the sector, through a telephone interview.

Luciano Prieto

"I began working on the railroad in 1945. I can assure you that there have always been accidents. At any rate, it is impossible to compare then and now, because just in the last 10 years rail traffic, both cargo and passenger, has increased by 67 percent. The equipment is becoming increasingly complex and speedy, and the tonnage is infinitely higher.

"At the same time, the accident rate has been cut by 73 percent, although those we could call catastrophic (those involving the loss of human life) have remained the same, two to four a year.

"The conditions for developing the railways have already been created. But this takes time, given that the equipment that will be placed on the trains is very costly and highly complex. The time will come when any obstruction of the railway will cause the train to stop automatically. But I repeat that this is a long-term plan on which we are already working."

Walfrido Hierrezuelo

"We do not regard the railroad tradition as a myth. Quite the contrary. We admire and respect many of the old workers, a good number of them retired, who have taught us so much. But tradition cannot mean transferring systems; rather, it should mean glory for a sector of which young people can be proud. What is happening is that with the complexity of the equipment we have today,

it is no longer possible to operate a locomotive with a low level of education.

"If a young person comes from a railroad family and also meets the established requirements and has a vocation (which is ideal), the doors are open to him in the railway sector.

"At present, a graduate has to wait 8 or 9 years to be put behind the wheel of a locomotive. Some violations of this rule may occur, but that is not established practice. But at the rate new technologies are developing, we cannot afford to have them wait so long.

"We agree with the retired comrades when they mention the lack of discipline. Before there was the discipline of hunger and unemployment. (I am not referring, of course, to the love true railroad men had for their work.) Now a number of measures have been taken to benefit the worker, who knows he will not be put out in the street. Thus, we are constantly increasing our demands, because while an error may be allowed on some other job, here it cannot; the result could be a catastrophe.

"The tracks have been improved; new cars are being purchased. But if the regulations are not followed, everything will go down the drain. We must encourage individuals to develop safe habits."

Prieto

"The thing is, in this activity the hand of man is ever-present. We have discipline problems, to be sure; we are fighting against them. But there is something much more curious: In nearly all the accidents we have had in recent years, men of proven abilities with many years of experience have been present. One of them was a 59-year-old engineer who was killed in an accident; he was just about to retire.

"Then there is the incident in Camaguey just 3 weeks ago. If you ask me what happened, I will have to tell you I don't know. That is incredible. A crew of five people, all of whom read the orders. Nevertheless, a tragic accident happened. How to prevent it? These are cases of negligence. Everyone knew that they had to wait for the MITRANS train to go by, but inexplicably, instead of stopping, they went on to run into it.

"Accidents like this, according to Article 16 of Decree Law 49 on Railway Discipline, result in the permanent removal of the responsible parties from the enterprise, independently of the criminal penalties of 1 to 10 years in prison.

"There are factors which have not been analyzed, such as accidents that kill pedestrians, or people driving in vehicles who think they can cross the tracks wherever they want. Look, in 1981, 7 people died in train accidents, while 51 died in situations like the ones I just described. In 1982 the ratio was 8 to 32; in 1983, 0 to 50; in 1985, 5 to 28; and in 1986, 2 to 46.

"The economic losses have risen. From the 1980 total of 1.7 million pesos, they climbed to 5.4 million in 1984, 4.1 million in 1985, and 2.2 million in 1986. But this is not because more accidents are happening; it is primarily due to the price of locomotives. Before the Revolution, you could get the best locomotives for 121,000 to 167,000 pesos. Now, because of the great technology, they cost us 668,000 pesos in the socialist bloc. If we were to buy them in the dollar area, they would cost more than 750,000 pesos; they are already approaching the million mark."

Leonel Cortes

"We are advocating that before working as an engineer, the recent graduate should practice for 6 months under the supervision of a specialist. Not to do so is a violation of the regulations. The same is true of the dispatchers, who before beginning work must travel with an engineer to acquire practical knowledge. Nothing that was done before in terms of safety has changed. On the contrary, it has been enhanced and then some."

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CSO: 3248/299

CDR FAULTED FOR PASSIVENESS, LACK OF ZEAL

Havana BOHEMIA in Spanish 10 Apr 87 p 29

[Commentary by Pedro Palacios]

[Excerpts] For some time I have been inclined to reflect on certain attitudes exhibited by many members of Committees for the Defense of the Revolution (CDR) and on organizational deficiencies which lead to the conclusion that we are still a long way from regaining the combativeness that was so vigorously exhorted at the last CDR congress.

Most CDRs, in my opinion, have not emerged from the rut, the formalism that has characterized them in recent years. This attitude has severely hindered their creative spirit and their ability to mobilize that powerful organizational thrust that is so hated and feared by the enemy.

Many CDR assemblies have become meetings to air trivial matters, exceedingly boring readings of political materials "sent down by the zone," or orientations to which few pay any attention. On occasion, when a healthy debate on local, national and international problems was expected, the result has been instead a frozen monologue, and we have seen in people's faces their impatience to put an end to a CDR night bordering on sterility.

For some time now, in the view of this writer (without generalizing), there has been a lack of political dialogue in many CDRs. Such a dialogue is essential during these times so that confusions, whether in good faith or bad, can be cleared up. There is also a failure to conduct a serious analysis of problems and the demand for solutions. The debate on ideas with the masses is barely translated into a daily practice of democracy at the block level, which is indispensable for reinforcing the political system of socialist society.

The CDR serves as the best revolutionary forum for discussing the country's and the block's problems with no holds barred, and the best center for mobilizing the collectivity to carry out the tasks that serve its interests. But these functions have surely been undermined in recent times. And whom are we to blame if not ourselves? I have the impression that we have spent a long time living on past glories, and in many cases we have put up with a lack of combativeness on the block.

Not a few CDR members have assumed the role of passive spectators at meetings. Uncritical, they refuse to commit themselves even by expressing an opinion. There is no shortage of those who merely put down the CDR on their resumes to attest to formal membership. They are the same people who are present-absent at meetings; in other words, they only want to have their presence noted for the record, or they arrive only after the problems have already been discussed and the meeting is about to end. Some comrades remain silent for long periods of time in block activities: They do not serve on guard duty or participate in productive days, they do not mobilize, and they always or nearly always use the pretext of their responsibilities as leaders or officials at a certain level, their travels out of town or out of the country, their worker guard duty, their overwhelming obligations. And those of us who have demanded that CDR duties be fulfilled with the same seriousness as the duties of the Territorial Troops Militia (MTT) or grassroots political organizations have been practically anathematized. I believe that if the revolutionaries of each block allow the CDRs to become a kind of political phantasmagoria, we are denying ourselves. Obviously, the lack of combativeness in each CDR member and revolutionary militant must be opposed, because we do not have the right to build socialism in the workplace while "disconnecting" that same historical task on the block where we live.

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CSO: 3248/318

CHANGES IN ID TOP LEADERSHIP VIEWED

Borja Consolidates Position

Guayaquil VISTAZO in Spanish 10 Apr 87 pp 20-26

[Article by Carlos Jijon]

[Text] Now that Rodrigo Borja has been chosen as the ID's [Democratic Left] presidential nominee, the "oranges" [ID members] still have some big hurdles to overcome to put together a good slate and improve their standing in Guayaquil.

In terms of party leaderships, the same thing is not happening in all the parties: in Popular Democracy, Julio Cesar Trujillo has just lost control of his party to a new group led by Jamil Mahauad. In Democratic Left, though, Rodrigo Borja consolidated his position against a challenge from Raul Baca. The process was the same: the democratization of decision-making in the parties. This was an innovation which hurt Trujillo, but at the same time helped Borja to become the ID's presidential candidate for the third time. Based on the official results of the party's electoral tribunal, Dr Borja won with 71 percent of the votes counted. The fears of a possible orange split did not materialize, partly because of Borja's stunning victory (which left no room for discussion) and even more because of the maturity displayed by both presidential nomination candidates: Baca quickly recognized Borja's victory, and Borja asked Baca to manage his campaign. The hardest part for Borja, though, is just beginning: first he will have to face the by no means easy task of choosing a running mate who will strengthen his position, and then he will have to keep the unexpected candidacy of Frank Vargas from causing him to lose ground to Angel Duarte.

Why Did Borja Win?

"After we lost the last election I held thousands of meetings all over the country," said an exhausted Rodrigo Borja 2 days after his party victory. After the campaign, his legal office is in a state of disarray: heaped up on his desk are piles of books and press clippings ("Division in the Orange Party," "Fernando Larrea: Issa Has Become a Spokesman for Borja"). His

office is located on the fourth floor of the Proinco Building on Quito's elegant Avenida Amazonas. On the floor above is Andres Vallejo's office; on the floor below, Jamil Mahauad's office. "Just 4 days after losing the election I started traveling around the country to thank the people who had voted for me." That trip lasted a month, and even though he doesn't say so, it had to be very difficult, for as he admits: "I had nothing to offer. But my efforts were continuing. And since that time I have spent a lot of time traveling all over Ecuador, giving political training courses to our members or visiting local regions during their anniversary celebrations. I did that until the June 1986 elections, when I began the campaign to vote 'no' on the plebiscite."

At the same time he resumed his legal career once again: on 10 June 1984, a brief announcement appeared in the pages of the paper EL COMERCIO: "Dr Rodrigo Borja announces to his clients the reopening of his legal office." "I lost many clients after the campaign," he recalls. "I had closed my office 3 months before the deputies' elections in 1978, and after the 1984 elections, many wounds remained. Dirty rumors were circulated about me, saying that I had lost my mind. But despite all that, other clients returned, although the volume of business in my legal career has dropped off a great deal. I started to handle legal affairs between Tuesdays and Fridays, because from Saturday through Monday I was involved in politics." He also spent part of his time in his political science teaching position at Central University, where he has been teaching for 25 years. He had temporarily interrupted his teaching in order to devote himself to the campaign after Raul Baca appeared as his rival in the party.

Baca was a good competitor, and he had the support of Xavier Ledesma, director of the party, but still he lost. Why? What induced the members of a party which defines itself as ideological and not dominated by political bosses to insist on keeping the same candidate for the third time? Part of the explanation may be found in Rodrigo Borja's notable capacity for work and perseverance, which enabled him to start his political campaign right away, despite the fact that his image had been tarnished. Moreover, Borja has been a candidate since 1978 and he has created a strong network of supporters inside the party, a network which would not disappear overnight. Another factor was Raul Baca's difficulty in carving out his own leadership position, even in Guayaquil, despite the public support of Xavier Ledesma and Fernando Larrea, two persons of great prestige in Guayas.

The ID's Current Situation

The major fear has now faded away; the party has remained united around Borja. Inside, though, the situation is not going to stay the same. It has now been made very clear that the party's leader is Rodrigo Borja, while Andres Vallejo is starting to displace Raul Baca from the honorable position of "second in command." And who knows, maybe the next orange candidate will

be Vallejo and not Baca. After all, he is one of the few people with the power to influence Borja, and his leadership in congress, far from weakening him, has helped him. Another person who has emerged from anonymity is Trajano Andrade, leader of the ID's parliamentary bloc, a spokesman for the many social democratic deputies who mostly supported Borja, but without thereby becoming his echo. In Guayas, Nicolas Issa appears to be moving ahead of Fernando Larrea, from whom he is divided by an old enmity that dates back to the years when they were at the university together. This personal hostility exacerbated the electoral process in Guayas and generated a certain amount of verbal violence which then degenerated into physical violence. Larrea's political space inside the party is now minimal; it has been taken over by Issa. But an even more serious matter is the fall of Xavier Ledesma, the national director who took sides and lost. Rodrigo Borja said that Ledesma stopped supporting him when he [Borja] refused to make him his running mate. Apparently Ledesma was never obsessed with the vice presidency, but he did not reject the idea that if the person chosen were from the ID, his name would be the first option. Borja, though, felt that Ledesma would never be an option because he would take away votes, and he let Ledesma know that. The result: at the last minute, Ledesma supported Baca. Baca's defeat left him out on a limb; all the prestige he had won as director of the party melted away a few days before his term was to end, even though he may yet recover if he gets the provincial leadership in the Guayas region.

In terms of running mates, they are still uncertain and don't want to deal with the issue until the national convention meets in April. "That will have to be decided by the convention. I can't talk about a running mate," answers Borja. In the parliamentary bloc, opinions are divided; they are aware of the need for an alliance in Guayaquil, but they believe that if it is with the Roldos Party, the votes they would pick up in Guayas would be lost in the mountains. But they would be pleased with the vice-presidential candidacy of Roberto Dunn, if he comes back to the PRE. Others, more doctrinaire types, would prefer to join with the FADI, thus avoiding having that party support Frank Vargas. In spite of everything, many of them would prefer a partisan slate: Borja-Baca. In that way, they think, everything would be solved: the ID would end up stronger, and the PRE would have no other choice left but to join with them, faced with the possibility that Duarte might get to the presidency and bring Averroes into office. But nothing is certain; they will have to wait for Baca's reaction, the reaction of Abdala Bucaram, and finally, the reaction of the national convention. The major problem, they know, is Guayaquil.

Shifting Political Fortunes

Guayaquil VISTAZO in Spanish 10 Apr 87 pp 21, 22

[Text] People on Their Way Up

Andres Vallejo

President of the National Congress. He is one of the few persons who has some influence on Borja. He held a top post in the Peoples Bank, and his father is president of the editorial board of DIARIO HOY. He will probably replace Baca as number two in the party.

Trajano Andrade

Leader of ID's legislative bloc. Despite having just recently joined the party, he has become Borja's strong man in Manabi, after smoothing down the hostilities in that province between the government and the Vargas Pazzos. Andrade, 40, is an attorney.

Nicolas Issa

Provincial director of the party in Guayas and currently a deputy. He has been somewhat overshadowed by the leading roles played by Fernando Larrea and Xavier Ledesma. He was Borja's campaign manager in Guayas, and so won his confidence after the victory.

Efren Cocios

Former president of the Constitutional Guarantees Tribunal. A founder of the party along with Borja, Vallejo and the Cordovas. He directed Borja's internal campaign. He is an attorney, 43 years old.

Cesar Verduga

Currently a deputy representing Pichincha. He was an adviser to President Roldos and executive secretary of the Latin American Association for Human Rights. He is more widely known in intellectual circles than in political circles. He is an economist, 41 years old.

People on the Way Down

Raul Baca

Formerly mayor of Guayaquil. Three times president of the National Congress. He joined the party in 1977 to run on Borja's slate and in congress he brought the ID closer to the Hurtado government, confronting Febres Cordero in his first year.

Xavier Ledesma

National director of the party. He worked with Baca in the Guayaquil municipal government and together they joined ID in 1977. A member of congress in the 1979-1984 period. He attained a high level of leadership in the party and was a strong opponent of the government.

Fernando Larrea

Former leader of ID's parliamentary bloc. Part of Baca's Guayaquil municipal government team. He joined ID in 1977. He was a member of congress in the 1984-1986 period. He managed Baca's campaign and created unnecessary divisions in doing so. He is an attorney.

Juan Cueva

Deputy representing el Azuay. The son of Carlos Cueva Tamariz, one of the stars of the Socialist Party. He was undersecretary of government in the Richelieu Levoyer government and a columnist for the newspaper HOY before he became a deputy. He is 48 years old; he is an attorney and a sociologist.

Hugo Calcedo

A former ID deputy and founder of the party. He aspired to the provincial leadership in Pichincha in 1984, but did not have Borja's support. This time he wanted the national leadership, but he has just withdrawn his candidacy. He is an architect.

Image: the Advice of a PR Expert

Rodrigo Borja has a middle-class professional image that he should not change, in order to avoid confusing the voters. If he has always worn a suit, he should continue to do so.

He should also keep his behavior simple and not adopt any positions that do not fit his personality. The idea is to present himself as totally different from President Febres Cordero.

He should try to use neutral language, eliminating the occasional Quitoisms that could make him sound like a regional candidate.

This advice was given by VIP, the public relations firm hired during the previous campaign to assess Dr Borja's image.

Borja's Biography

Guayaquil VISTAZO in Spanish 10 Apr 87 p 25

[Text] Rodrigo Borja came into the world 51 years ago in the city of Quito. The oldest of seven children of Luis Felipe Borja and Aurelia Cevallos, he received his primary and secondary education at the American School of Quito, though he was not a good student. He was always deeply involved in sports, so much so that in the 1960s he was a professional automobile racer and took part in a number of competitions. "I love speed, taking risks, racing, basketball, action," he says. When he entered the university he underwent a substantial change: no traces were left of the careless and undisciplined young man he had been. In 1960 he graduated from Central University's School of Law as its best student. He was at that time a member of the Liberal Party, through which he came into congress: "I became a deputy very young, before I was 25, but we were there for only one term because of the 1963 coup which gave rise to the dictatorship of Castro Jijon, and closed the National Congress." In 1968 he broke from the Liberal Party because of the famous "Mordore Pact." The straw that broke the camel's back was the alliance between Liberalism and Velasquism. The sons of Andres F. Cordova (Manuel and Gonzalo Cordova Galarza) also left the Liberal Party with him. Two years later Democratic Left was founded, and Rodrigo was once again a candidate for deputy. "I was re-elected in 1970; that was the first time Democratic Left had taken part in an election. We won in Pichincha, but a few days later Dr Velasco Ibarra proclaimed himself dictator and shut down Congress. We were not able to take our seats." During that period, Borja was active in the movement against Velasco, which earned him a short stay in the Garcia Moreno Prison. When he got out, he began to work unceasingly, organizing his young party. The dictatorships of Rodriguez Lara and the Triumvirate caught him in the middle of his party work. In the meantime, he also devoted himself to his legal career. "I handled civil, labor, and business issues, with an occasional criminal case. My first trial was a criminal-military case. I defended Lt Col Alfredo Valenzuela, who was accused of plotting a coup d'etat against the dictatorship of Castro Jijon."

The Candidate, the Man

At the end of the dictatorship, in 1978, Borja decided to try his luck in the presidential race (he had been working toward this for the previous 8 years). While looking around for a running mate he came into contact with a former mayor of Guayaquil who had some political experience with the suburban masses. His name was Raul Baca Carbo, but they did not get the results they had hoped for. The Borja-Baca slate ended in fourth place nationally (with 12 percent of the votes) and fifth in Guayaquil (with 3.5 percent). The result of the contest suggests the extremely limited appeal of Baca Carbo on that occasion. When later elected national representatives, they went to the National Chamber of Representatives at the head of a bloc of 12 legislators, which soon became

the largest bloc there with the collapse of the CFP [Concentration of Popular Forces] bloc led by Assad Bucaram. However, due to the legislative weakness of the next two presidents (Roldos and Hurtado), the position of Democratic Left became uncomfortable. While Raul Baca was leading a policy of collaboration with the government, Rodrigo Borja headed the non-collaborationist faction. ID's behavior was so erratic at that time that even though Baca twice won the presidency of congress (with the government votes), ID was responsible for 65 percent of the questions introduced in congress (based on the book CRISIS, CONFLICT, AND CONSENSUS by Nick Mills), but these questions did not result in any censure motions being passed. Nonetheless, with all their votes they did help the legislator Febres Cordero to censure the minister of government, Carlos Feraud. Then four times during 1981 deputies Borja and Febres Cordero called upon ministers dealing with economic matters to explain the causes of the high cost of living. But all this was of little avail. At the start of the 1983 elections, Febres Cordero described Borja as a collaborationist, and he won the election. That is where the story stands now. Since then, Dr Borja has been working to write new history.

7679

CSO: 3348/290

POLITICAL PARTIES' ORGANIZATIONAL STRENGTH ANALYZED

Quito HOY in Spanish 16 Apr 87 p 5-A

[Text] In the broad national political spectrum, there are 17 political organizations legally registered in the Electoral Supreme Court, only nine of which are fully engaged in their partisan activities, three embroiled in internal political problems, four completely without heads, and in serious danger of disappearing, and one, recently recognized, which has not gained much strength.

The political parties with the most organizational and mobilization capacity, having representatives among the leading state authorities, and capable of generating national public opinion, are: Democratic Left [ID], considered the largest political party in the country; Popular Democracy [DP], which became reinforced in the government and, later, in the opposition to the government of engineer Febres Cordero; Concentration of Popular Forces [CFP], which still maintains the "CFP committees," particularly in Guayas Province, and bases its action on populist projections; the Ecuadorean Roldosist Party (PRE), which has capitalized on the political gains left to it by the present regime's persecution of its top-ranking leader, Attorney Abdala Bucaram Ortiz, also having its electoral strength in Guayas Province; the Christian Social Party [PSC], which has capitalized, on its behalf, the entire right-wing movement, to the detriment of its former associates in the Front of National Reconstruction [FRN]; the Democratic People's Movement [MPD], which has shown a good level of popular organization and mobilization, and which still controls the majority of the universities and the national teachers; the Alfarist Radical Front [FRA], which has defended itself in Guayas with its "plotting" although it occupies a political space difficult to determine; and Broad Front of the Left [FADI], which primarily generates public opinion and is identified with certain labor confederations. Also "making news" recently is the Ecuadorean Socialist Party [PSE], which, thanks to very popular candidates in their respective jurisdictions, managed to surface again during the last elections, after having remained on the brink of liquidation for a long time. The Socialist leaders are confident that it will continue to grow, but some analysts think that its political space is minor; because, while the Marxist left already has two options entrenched among the public (FADI and MPD), the left of center also has very strong, well organized movements (ID, DP, and possibly PRE, despite its populist tinge). How to capture Marxist militants from the left, or reformists from the left of center? That is the challenge for the Socialists.

There are parties such as the Radical Liberal Party [PLR] which have been undergoing a crisis owing to the disagreements among their leaders over the positive or negative aspects of cooperation with the government; a situation that has resulted in internal struggles, and even defections and expulsions. Most analysts think that the Liberal Party has ceased to be a "great party." In the Democratic Party [PD], the differences between Dr Marco Proano Maya and engineer Luis Piana have drawn the attention and interest of its members; a situation that has enabled the group to remain on the political platform. APRE (Ecuadorean Revolutionary Popular Action), which was being "erased from the map," has vested its hopes in the membership of Gen Frank Vargas Pazzos who (it is claimed) will be that party's candidate for the presidency of the republic. These three parties are reportedly among those which could "come to the surface again."

Appearing in a third group are the Conservative Party [PC], the People, Change, and Democracy Party [PCD], the Republican National Coalition [CNR], and the Nationalist Revolutionary Party [PNR], which are merely surviving, but with serious risks of disappearing.

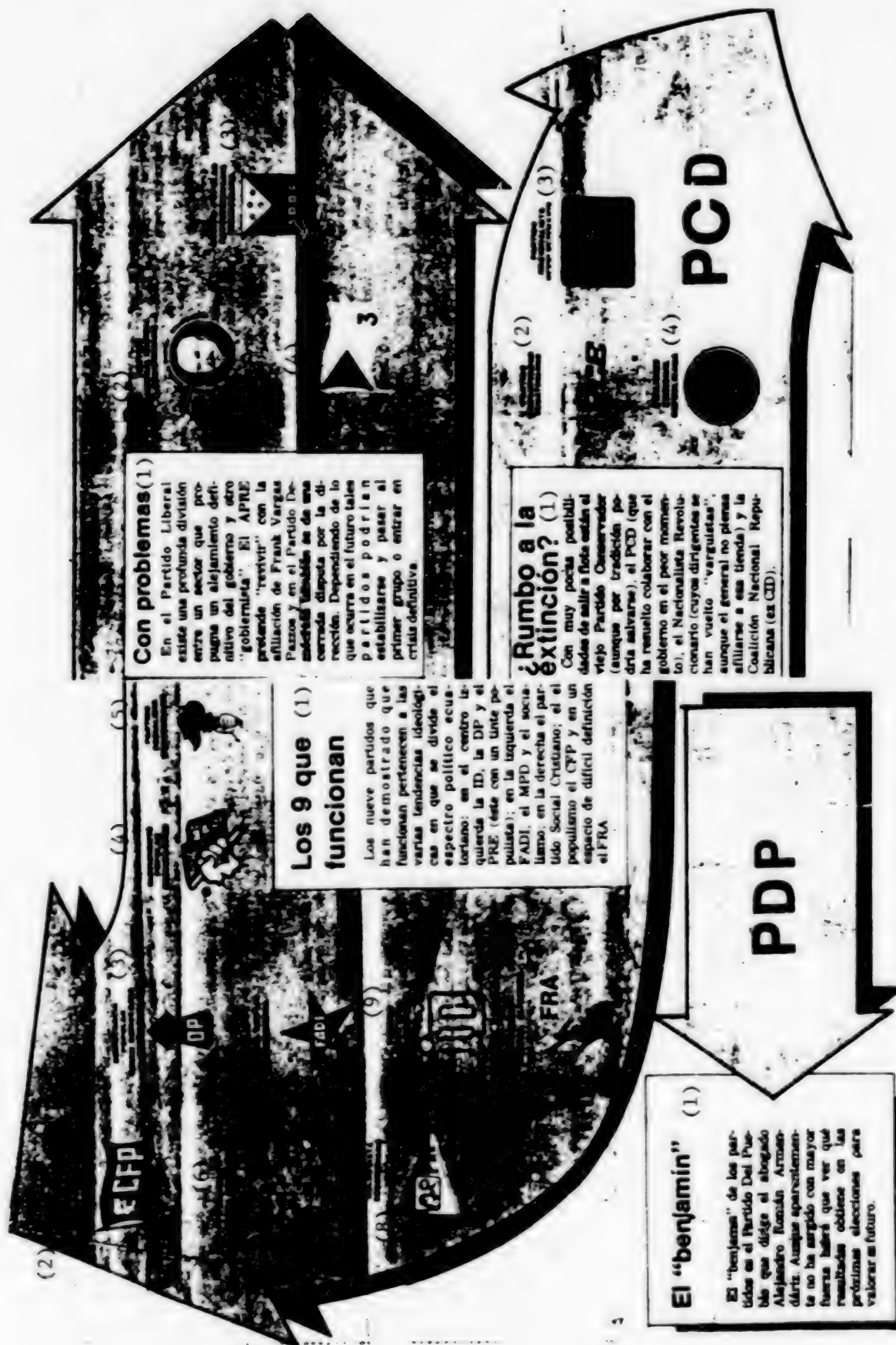
Finally, there is the People's Party [PDP], which came into existence without any great strength, and whose future will depend partly on what it might accomplish in the next elections.

Key to Chart 1:

1. The nine in operation. The nine parties which have proven that they are operating belong to the various ideological movements into which the Ecuadorean political spectrum is divided: in the left of center, ID, DP, and PRE (the latter with a populist tinge); on the left, FADI, MPD, and the Socialist Party; on the right, the Social Christian Party; in the populist movement, CFP; and in a space difficult to determine, FRA.
2. Concentration of Popular Forces
3. People's Democracy, Christian Democratic Union
4. Democratic People's Movement
5. Ecuadorean Socialist Party
6. Social Christian Party
7. Broad Front of the Left
8. Ecuadorean Roldosist Party
9. Democratic Left Party
10. Alfarist Radical Front

Key to Chart 2:

1. With problems. In the Liberal Party there is a deep split between a sector favoring a definitive distancing from the government and another that is "government-oriented." APRE is attempting to "revive" with the membership of Frank Vargas Pazzos, and, in the Democratic Party, there is also a sharp dispute over the leadership. Depending on what happens in the future, these parties could become stabilized and join the top group, or embark on a final crisis.
2. Ecuadorean Radical Liberal Party



3. Ecuadorean Revolutionary Popular Action
4. Democratic Party

Key to Chart 3:

1. The "baby." The "baby" of the parties is the People's Party, headed by Attorney Alejandro Roman Armendariz. Although it has apparently not emerged with any great strength, we shall have to see what results it accrues in the next elections in order to assess its future.

Key to Chart 4:

1. Bound for extinction? With very few chances of surfacing are the old Conservative Party (although, based on tradition, it could save itself), PCD (which has decided to cooperate with the government at the worst time), the Nationalist Revolutionary Party (whose leaders have become "Vargists," although the general does not intend to join that camp), and the Republican National Coalition (former CID [Democratic Institutional Coalition]).
2. Ecuadorean Conservative Party
3. Nationalist Revolutionary Party
4. Republican National Coalition

2909

CS0: 3348/291

BRIEFS

PROGRESSIVE GROUP UNITY--The unity of the progressive bloc in the National Congress has always been damaged by internal divisions. The main one was that separating the Marxist parties of FADI [Broad Front of the Left], MPD [Democratic People's Movement], and PSE [Ecuadorean Socialist Party] from ID [Democratic Left] and DP [Popular Democracy]; divisions that have become marked with the passage of time, and particularly with the proximity of the general elections in which each party has its own goals. The proposal to try the president made by PSE, MPD, and PRE [Ecuadorean Roldosist Party], and the categorical refusal to back it from ID, DP, and FADI have radicalized that division, and openly displayed it in the country. Hence, FADI's position on this issue has proven significant, because it proves that there is not even any agreement among the Marxist left. The differences are so deepseated that the unity of the progressive bloc in Congress can hardly be maintained. Nevertheless, we must remember that what unites those comprising it is their opposition to Febres Cordero, and that this opposition still has a great deal to do until the government of national reconstruction ends. [Text] [Guayaquil VISTAZO in Spanish 10 Apr 87 p 17] 2909

PRESIDENTIAL CANDIDATES--With the left of center spectrum reduced by the defections of the Democratic Party and PCD [People, Change, and Democracy Party], and with Popular Democracy aware that it lacks a potential presidential figure, while that of the Democratic Left has been determined electorally, it would appear that the movement's candidate has already been decided: Rodrigo Borja Cevallos, who needs only a good running mate in Guayaquil. Nevertheless, both the right and left-wing groups are still disoriented. With the Front of Reconstruction disintegrated, President Febres Cordero has not yet found his successor, although he has not been lacking in proposals: Mention has been made of Xavier Neira, and the candidacy of Camilo Ponce was launched; nothing that could shock anyone. Only Angel Duarte, the new star of the retreaded enlightened populism, appears to offer him the ability to reach a good haven. He has no running mate either, but he could find one among the liberals or in the Pichincha Mayor's Office. In any event, there is nothing to prevent the regrouping of the right wing parties, this time around CFP [Concentration of Popular Forces]. The left, faithful to tradition, is broken up, although mention has been made of the possible creation of a "United Left" supporting Frank Vargas Pazzos, who has decided to launch his candidacy even before having selected the party with which he will become affiliated. Both Socialists and

MPD [Democratic People's Movement] have claimed that they will not vote for Borja, nor unite with Vargas; they will surely run alone with their usual candidates. However, it should not be forgotten that the process is just beginning, and that anything can happen. [Text] [Guayaquil VISTAZO in Spanish 10 Apr 87 p 18] 2909

GOLD DISCOVERY IN DISPUTED TERRITORY--CFP's [Concentration of Popular Forces] alternate national deputy, Richelieu Levoyer, remarked that the site on which the Peruvian Government claims to have discovered a rich gold deposit is located in the vicinity of the junction between the Chinchpe River and San Francisco Gorge; the spot up to which the boundary markers associated with the protocol of Rio de Janeiro could be situated. He added that, from there to the east, it was impossible to demarcate the border, owing to the lack of a "divortium aquarum" [division of waters] between the Zamora and Santiago Rivers. He claimed that this has made that protocol impossible to implement. As a result, he emphasized, the Peruvian Government cannot talk so assuredly about the gold deposit's being located in its territory. He added that, the fact is that Peru has militarily, and through colonization, occupied the entire area extending from the Santiago River westward, as far as the top of the Condor mountain range; and that, because of that arbitrary occupation, it considers this extensive area to be Peruvian. He gave a reminder that statements from the Peruvian Government regarding territory in dispute as its own do nothing but prevent a future solution to the boundary dispute, and place obstacles in the path of developing binational plans on the mutual border. [Text] [Quito EL COMERCIO in Spanish 13 Apr 87 p A-2] 2909

CSO: 3348/291

REGION 2 RESERVES RECRUITMENT FIGURES

Managua BARRICADA in Spanish 5 Apr 87 p 1

[Text] Leon--Although the second recruitment phrase of Active Military Service has not yet been completed in this region, 70 percent of the target set for this year has been achieved, stated Capt Amin Eslaquit, Patriotic Military Service (SMP) delegate.

This region has been in the national vanguard twice, when its recruitment percentages surpassed the proposed goals, particularly in very tense years such as 1984-86 when registration and recruitment efforts took on a new urgency.

Capt Eslaquit explained that the successes achieved in recruiting into the Active Military Service first, and then into the Reserve, are possible because from the very beginning there has been close cooperation between the Sandinist Front, the EPS, and the mass organizations that are in the forward lines of defense.

At present, the Western Region has nearly 3/4 of its quota ready to complete the permanent units and combat units of the country.

Since 1983, Region 2 has contributed 25,000 youths to defense in the SMP, and it has already completed its Reserve units with the registration of veteran reservists, the general population, and the demobilized soldiers who are at the head of the intermediate commands.

8926

CSO: 3248/306

GOVERNMENT MOVES 600 MANAGUA FAMILIES

Managua BARRICADA in Spanish 9 Apr 87 p 1

[Text] The Revolutionary Government and the Sandinist Defense Committees (CDS) yesterday began transferring some 600 families located in the center of old Managua, better known as "Los Escombros" [the rubble].

This moving operation was conducted for three basic reasons: 1) The Tiscapa Fault, one of the causes of the 1972, lies underneath; 2) the Revolutionary Government has already decreed that all lots near the Bank of America must be vacated because government offices are to be built in that sector; and 3) City Hall already has plans to build several sports complexes.

Alfredo Marengo, Cesar Garcia, and Emilia Cruz (of the CDS and the Housing Ministry) indicated that these residents were told in advance that downtown Managua is no place for homes "because of the Tiscapa Fault."

The operation involves moving 81 families to Bello Amanecer (Ciudad Sandino) and Nueva Esperanza, near the Nicaraguan Tobacco Plantation.

The transfer was being carried out yesterday with 100 CDS members from Zone 5-7 and 12 "gondolas" (long trucks) supplied by the Revolutionary Government. At the same time, the CDS of Ciudad Sandino and Zone 9 were helping the residents move into their new homes in the indicated areas.

8926

CSO: 3248/306

AUTONOMY LAW APPORTIONS NATURAL RESOURCES

Managua BARRICADA in Spanish 9 Apr 87 p 4

[Article by Douglas Carcache]

[Text] Bluefields--The Atlantic Coast Autonomy Bill, which is expected to be dealt with by the National Assembly next May, gives the communities the right to "make rational use of natural resources, within the plans for national development."

Analyses indicate that autonomy can only be consolidated as a comprehensive project to the extent that the economy of the region stabilizes, and in many aspects it still depends on what happens in the rest of the country.

The coastal population, which is made up of six ethnic groups, has raised many expectations about the bill as a means to automatically solve all of its economic and social problems. This will be very difficult, considering the region's traditional backwardness and the consequences of the war of aggression.

The bill calls for the creation of two autonomous regions, one on the north Atlantic Coast and the other on the south Atlantic Coast. Each will have its own government and parliament, and two types of property ownership will prevail: communal and national.

Communal property, which has traditionally belonged to the ethnic populations, cannot be sold. Those who reside on it may work the land in accordance with regulations which will be drafted later on, to ensure the conservation of natural resources. In this way, if a state enterprise such as the People's Forestry Corporation (CORFOP) needs to cut timber on communal property, it will have to pay a tax to the local Government Council.

The other type of property, which represents nearly 70 percent of the entire region, belongs to the National State. It includes most of the forest land, which is the primary resource in this area.

The autonomy plan also calls for a substantial portion of fiscal revenues earned on natural resource exploitation to be invested in the autonomous regions.

The economic prospects for the Atlantic Coast are gloomy, despite the tremendous timber, gold, and maritime resources of this region, because it lacks infrastructure. In addition, government entities must be "more aggressive in obtaining and allocating resources," according to the latest evaluation made by the Sandinist Front.

The timber industry of Zelaya Norte produced only 24 percent of its installed capacity in 1986, while in Zelaya Sur the major accomplishment in this area was to prevent the closing of the forestry enterprise.

Fishing, the principal sector of production and source of foreign exchange, has suffered an alarming deterioration in its infrastructure. As a result, last year it attained only 70 percent of its goals.

The basic sectors in Zelaya Sur, sugar and African palm cultivation, also fell short of their planned targets. The Kukra Hill sugar plantation achieved only 69 percent of planned production, while only 42 percent of the area intended for African palm cultivation was planted.

Meanwhile, the Bonanza mine halted the mining of polymetal concentrate in August to give priority to gold. According to official reports, however, gold and silver production was unstable in 1986, "due to a lack of planning." Only 4,070 ounces of gold and 7,975 ounces of silver were produced.

At Siuna, another of the three mines (Rosita was completely paralyzed), gold was processed for only 15 days in May, with total production of 150 Troy ounces out of a planned total of 672 ounces.

Transportation is, in most cases, a key factor in production shortfalls, and has contributed to the general isolation of the Atlantic Coast. Investment projects are behind schedule or completely halted, primarily because of a lack of transportation.

The autonomy plan also states the need to develop an intraregional and interregional market. In this regard, the revival of the traditional trade with the islands of the Caribbean has already begun with the establishment in 1986 of the Caribbean Commercial Corporation.

This new enterprise was responsible for exports totaling more than \$50,000 last year, and the figure is expected to double in 1987. The Caribbean Commercial Corporation exports nontraditional goods, such as dried shrimp and cacao.

The autonomous governments will have complete responsibility for purchasing, administering, and utilizing the goods in their economy, as long as they do not violate the overall economic policies of the central government.

8926

CSO: 3248/306

AGRARIAN ISSUES DISCUSSED

Porras on Land Reform Problems

Managua BARRICADA in Spanish 30 Mar 87 p 3

[Article by Monica Zalaquett]

[Text] Labeled conservative by some and extremist by others, Agrarian Reform is without a doubt the most important of the revolutionary changes that have occurred in our country in the last 7 years. It represents a break with the system of domination at its most sensitive point: land ownership.

What has happened to these transformations? What is the status of production in the areas subject to reform? We ask these questions almost as soon as we enter the office of the director of Agrarian Reform, Guerrilla Cmdr Alonso Porras. He smiles, understanding our impatience in the face of a situation that is not discussed much beyond the statistics.

"We have made a lot of progress," he begins slowly. "We reduced the number of latifundists from 36 percent to 10 percent; we organized 77,000 peasant families into 106 cooperatives; we structured the State Area, placing a great deal of emphasis on national production, which is the spearhead of the economy."

We cringe at the thought of listening to a new recitation of the statistics of change, but then he adds: "We have transformed the ratios of property ownership at the grassroots level, but we have not advanced sufficiently in the organizational changes required to create a harmonious system of production, distribution, exchange, and consumption."

Porras decides to interrupt his train of thought to talk a little about the background of the process, recalling the "efficient" way the peasant was exploited: "There were sectors of the bourgeoisie that covered all the links in the chain of production; they provided financing at usurious rates, they had supply networks that bought crop futures, also at usurious rates, and usually they were the owners of the industrial plants."

It was the harmony of a system that was finely tuned over the years to line the pockets of a few at the expense of the majority, a system which the

revolutionary measures split asunder. The commander crosses the room and continues: "When we turned over the land and went from 28,000 landholding peasants under Somoza to 96,000 in 1981, when we decreed the freedom to organize in the rural sector, we destroyed the foundations of that model."

And it would not be easy to build another one, he admits. He takes some papers from his desk, and adds: "We replaced the philosophy behind that system with a combination of institutions and enterprises. I will read to you how many exist, for example, in Jalapa: There are 16 different organizations that deal with production, and the poor farmer has to contend with all of them."

But it is not just a matter of bureaucratic procedures which sometimes take up more time than farming itself; often these enterprises and institutions are "looking out for number one," worrying about their own profits and extracting wealth from the productive sector rather than promoting its growth. Porras argues that "if we have made progress in these changes, we must progress now in restoring an organization that is true to its economic role and that joins together all the links in the production chain."

The state enterprises were born with a number of "hereditary defects." They were either decapitalized or carried mortgages that sometimes exceeded their own value, and many had been sacked. In addition, they were the result of a rather abrupt merging of units that were economically disparate and sometimes distant from each other. They had to assume the debts contracted previously by the Somocists, and then they had to obtain new credit for capital and improve the living conditions of the workers. Shortly afterwards, the cost of the damages caused by the Yankee aggression was added to their burdens.

The director of Agrarian Reform lights another cigaret and goes on forcefully: "We were dragged down by weaknesses in management, planning, accounting, and the organization of work in the enterprises; the Revolution has weakness in the cadres because many technicians had belonged to the landowning bourgeoisie, or were in its service. These are the problems we must overcome."

The other children of the Reform, born along with the enterprises, also inherited economic problems. "We could not break up the production units with their internal logic of machinery, construction, and roads, but the neglected peasant was demanding land, and the Revolution would give it to him. This determined, to a great extent, the collective model we chose to follow in turning over the land."

The sudden emergence of the Sandinist Agricultural Cooperatives (CAS) was also due to the fact that "we were aware that this was the only way, the best way for the peasant to achieve a higher standard of living and to develop." The other reason was the war, which forced small and medium farmers to unite "not only for economic reasons, but to defend themselves and survive."

The leader admits, however, that "going from an individual or family consciousness and economy to a different form of collective organization required the development of a social consciousness in a gradual learning

process," and that this process was accelerated by the characteristics of the CAS model, which "left no room for the individual demands of the peasant."

"But some time ago, there was a turnaround in giving the land under those circumstances," we note. He replies: "There was a realization that the movement toward the collective consciousness has its rhythms and its laws, and we didn't discover that from our desks, but rather by learning and organizing the experiences of those who managed to incorporate their individual interests into the model."

We recall, then, that we have seen many cooperative peasants who have difficulty grasping the idea that social property is their own.

"This is due to the lack of internal democracy with participation in fundamental decisions: electing and being elected, understanding the financial situation, discussing production plans. If a handful of people make those decisions, the rest will not feel that the shared property is really theirs," says the commander.

He also stresses that participating in the economic decisions of the cooperative will activate the new consciousness of the value of the unit. "We cannot talk of the appropriation and active identification of the peasant with the cooperative if there are improper leadership styles in the cooperative, the 'cacique' phenomenon, an absence of democracy, and a lack of mechanisms to enable members to participate fully, in keeping with the very nature of a cooperative."

In his view, being a cooperative member does not mean sharing just ownership or profits, "but each of the production activities and daily life."

We point out that many cooperatives have too few members for their land, and others have too much land to handle. Porras reports that one objective of the Reform this year will be to reorganize land tenancy within the area subject to reform. He also notes other problems the CAS suffer because of a lack of funds to invest in their development, and because of "the determining factor of technical and cultural backwardness." In this regard, he says that a special effort will be made with the Education Ministry to integrate the objectives of Adult Education with technical and productive interests and the interests of the cooperative administration.

"We will do our utmost to incorporate the cooperative movement into the country's investment process through directed credit programs, and to formulate an economic model for each cooperative. This will require that we get rid of the vertical or paternalistic styles of government problem-solving; we must encourage cooperative members to take the initiative and solve their own problems," he adds enthusiastically.

Then he moves toward the door, asks for more cigarets, and continues: "Along what line are we advancing? Strengthening the cooperatives' material base and promoting education, technical training, and self-management. The cooperatives can easily set up their own peasant stores, incorporate techniques or contract services, and finance themselves with their surpluses."

"And how will this process take place?" we ask. "On the basis of discussion among the rank and file, reflection on the achievements of mankind and of the cooperative, and on what needs to be done to progress toward solving problems. The other matter is that we must give the cooperatives a broader forum in which to express their demands, exchange their experiences among themselves and with other sectors of the city, so that each can see how we need each other, how, for example, the worker who produces machetes needs the beans produced by the peasant."

Porras pauses in his explanation, and we take advantage of the moment to bring up the situation of the other major cooperative sector, that of credit and services, the "cropless field" and work collectives that number 1,538, more than the CAS. "The general principles are the same. We want to help these peasants improve their production and standards of living, not through the state taking action for them, but on the basis of their own organization to take advantage of their resources and possibilities for generating services," he explains.

He says that without imposing formats on peasant organization, "the idea is for them to reach the point at which they can solve their own key problems of supply, transportation, and community improvements through cooperation among farmers."

Next we go back to the issue of the state enterprises, whose situation is linked to that of the cooperatives; in the same territory, the different sectors coexist with their own disintegrated production systems, trying to figure out what to do with the demand for components, transportation, storage, and agroindustry, while on the other hand the private producers are also trying to solve similar problems.

He sits on the back of his chair in his olive green uniform, and concludes slowly: "The consequence of all of this is that we cannot make rational and effective use of resources, and if everyone's possibilities were combined in the same territory, there would be enough installed capacity and means to solve common problems and advance together."

Like a giant cooperative, we say, and he agrees, smiling: "Something like that, but different." He thinks for a moment and expresses what might be the definition of a new territorial organization of production, which he emphatically distinguishes from what is understood by territorial enterprises.

"The objective is to lend dynamism to the productive process in the territory, moving to eliminate the dispersal that hampers it. In this process, the leading role is played by the state enterprises and the cooperatives, but we are not talking about rendering services, but rather about how to arrange all sectors of ownership under a different type of economic relations."

"And what is the attraction of this model for the private producer? What would he get out of that system?" we counter. He responds immediately: "Stability, security as owners, more efficient services, and therefore higher profits." He clarifies that it is not just a question of combining services,

but also of incorporating producers under a territorial system that revolves around the enterprise, the agroindustry, the union of cooperatives, or the peasant development center, depending on the nature of the region, following the common principle that this is a way for all of them to participate in the management of the productive process.

He cites the example of the Carazo Plateau, where the axis will be the Mauricio Duarte Coffee Enterprise and the partners will participate in management through a board of directors, and in other cases through a general assembly. There reports will be presented on the profits earned and the investments made, and new decisions will be discussed.

The problem of everything moving too fast is mentioned, and the director explains that in fact, "it will be a rather complex process that must take place gradually and cautiously. We must not try to implement it everywhere overnight; rather, based on the present situation, the enterprises should develop more cooperation with the other sectors, as they are obliged to do."

For this purpose, in each of the regions the proposals for reorganizing production and services around territorial axes are being reviewed. "The drastic changes will be made later in a very careful manner. We cannot afford to make mistakes," he concludes.

Life in Countryside 'Better'

Managua BARRICADA in Spanish 4 Apr 87 pp 1, 5

[Text] From driver to cooperative member? That may not be unusual, but switching from capital resident to rural farmer is an extraordinary change.

Marta Elena Portobanco and her husband, a driver by trade, lived in Managua until last month. Then they decided to buck the emigration tide that brings the population to the cities. It was the young teacher, 24, who took the initiative, convinced of the attractions of the work and the peaceful life in the countryside. She had worked in social service in rural Waslala for 2 years, and had been a member of the 50 Aniversario Brigade.

Now, sitting at the door of her new home in the Ulises Rodriguez Cooperative, near Esteli, Marta does not appear to regret the decision at all. On the contrary, she notes with pride how quickly she fit in with the rural environment.

In the morning she teaches the children of the cooperative, while her husband rises early to go out with the other peasants to prepare the land for the next planting. She herself also works in the fields during school vacations, and she is regarded as just another member of the collective.

We asked her if he is happy having made such an abrupt change in jobs, and she laughingly responds that "he feels restricted, but it is good for him to suffer a little, so that he will know how hard it is to live on beans." She points out, however, that the two have compared both places, and recognize the

advantages of having "no shortage of rice and beans" and being a long way from "that tumultuous city."

Marta continues to speak slowly, as if she had tapped into that inner peace which is rarely seen among those who live in bustling Managua. She confesses how much she likes "living among the peasants," and the attraction of "the challenge of imparting our knowledge and support to the people of this place."

In the house next door, which like all houses in the cooperative has a kitchen that is separate from the structure containing the other rooms, Elba Blandon, wife of one of the members, appears to express silent agreement as she listens to the teacher. She smiles shyly as we observe her preparing food on her stove. On a small plank shelf are eggs, tomatoes, pipianes, onions, mangoes, molasses, beans, and rice. The midday meal boils in a pot on the smoking firewood.

The peasant woman indicates that the lands of the cooperative used to belong to the Somocist Doroteo Rodriguez. During that era, she lived in great hardship, unable to give her children the milk and cottage cheese that the collective now guarantees them. As we say goodbye, she exclaims from her doorway: "It's a great change, you know? Life in the countryside seems to be better now."

The Ulises Rodriguez Cooperative is one of the few collectives that have seen their membership double thanks to "the attraction of our progress," in the proud words of its president Carmelo Blandon.

In fact, just a few years ago, this CAS had just 28 members. But today, 46 local heads of household, some helped by their wives and children, work the land here.

"It is not right for only men to work, when the country so badly needs workers," asserted the leader. He noted that "productivity goes down if women do not work in the fields."

Although only a small portion of their land is planted, 56 out of the 507 manzanas they possess, the members of the collective manage to grow corn, beans, sorghum, sugarcane, cabbages, tomatoes, onions, cucumbers, muskmelons, and watermelons. In addition, they have 210 cows that graze on the remaining land.

During the last cycle, they were hit by the drought, but this did not prevent them from making a profit on the sugar harvest. This year they will be able to pay off the rest of their debt to the bank. In addition, they have invested in machinery and parts, in repairs to the stables, and in inputs for the crops.

They are also able to finance the salaries of the teachers in the little school, and they hope to hire a technician in the near future. Part of the surplus was divided among the members, depending on the assessment of the "Christian who volunteers his work." In other words, the members receive a share according to how many hours they put in and what jobs they did.

One cooperative member, Jacinto Blandon-Gutierrez, commented on the peasants' fears about joining this type of collective work, thinking they will immediately be mobilized for defense.

"If we were not Nicaraguans, we might become rebels, but this is our country, and we must defend it," stressed Jacinto. He pointed out that "although it used to be come home right after work, now we have to be involved in everything: cutting coffee, volunteer work, and keeping the Guard on the run, which is the main problem preventing us from developing."

The members of Ulises Rodriguez work for 8 hours in the fields, and go to Adult Education classes in the afternoons. According to Catalino Flores, who is in charge of production, the current difficulties reveal the need for more land for crops and livestock, and the need for the state to store perishable commodities "so as not to line the pockets of the businessmen." For this purpose, they propose "the establishment of markets where we can take our products."

8926

CSO: 3248/305

DRUG MONEY IMPLICATED IN FAKE VISA SCHEME

Police Investigation

Lima EL NACIONAL in Spanish 26 Apr 87 p 6

[Text] A criminal organization devoted to the illegal entry of Peruvian citizens into the United States via Mexico, through falsification of visas supposedly issued by the Mexican Consulate, has recently come to light.

The explosive police investigation seriously implicates personnel of the PIP [Peruvian Investigative Police] station at Jorge Chavez International Airport, and equally involves several travel agencies, some of them managed by persons implicated in the well-known drug trafficking case known as "Villa Coca." Reynaldo Rodriguez Lopez, alias "the godfather " ("El Padrino"), was the principal person charged.

The investigation, with conclusive proof, was taken to the PIP high command but, incredibly, the PIP put the matter in the hands of the airport police chief himself, to make a statement on the veracity of the reports.

One of the hundreds of falsified visas used by this criminal organization has been obtained exclusively by EL NACIONAL, proving that it is engaged in illegal traffic of immigrants--known as "pollos" [chickens] in police jargon--destined for the United States via Mexico.

According to police experts, falsification of these documents was detected by the following details:

1. The pink color of the legitimate visas is a lighter tone than that of the darker fake visas.
2. The numbers on the visas are crude and the originals normally have neat and tidy figures.
3. The stamp bearing the Mexican seal on the fake visas is smaller than the original from the Mexican Consulate.

4. Likewise, the name "Embassy of Mexico-Consular Section" which appears on the falsified visas is larger than on the legitimate ones.

5. According to the experts, the signature of the consul that appears on the fake visa we are publishing is completely different from the official's signature.

The Hand of 'El Padrino'

In the investigation report, among other agencies implicated in the illegal traffic of immigrants are the following: Palace Tours, located at 677 Nicolas de Pierola Avenue, Suite 302, in the center of Lima; Turismo J.C., on Brasil Avenue opposite the Jossy shop, in the Brena district; and a third without a name, of dubious legal status, located at No 1537 Trinidad Celis Street, in the Elio development.

According to the investigation, the first has as "paseros" (the name given to those in charge of the safety of the immigrants in getting through the checkpoints and boarding their respective planes) PIP agents Joel Chavarry Nattery and Jose Nattery Marco. Joel Chavarry Nattery is the nephew of the international airport PIP station commander, Alfonso Chavarry Plaza.

The second agency, according to the report, has as "pasero" former PIP Lt Elmer Cayo Avalos, brother of retired PIP Cpl Zoila Cayo, implicated in the well-known drug trafficking "Villa Coca" case, and charged with having made available to "El Padrino" copies of police statements against him.

The third travel agency, according to the investigation report, has as its manager Maritza Oliva Fernandez, daughter of Luz Fernandez, who, as will be recalled, was pointed to in the "Villa Coca" legal investigation as one of "El Padrino's" most trusted secretaries. Luz Fernandez is a fugitive, and is known to live in Tijuana, Mexico, where her job is to take the "pollos" over the border and set them up in U.S. border towns.

The explosive report insists that the travel agencies pay the following shares for each of the "pollos": \$40 to the PIP agent at Migrations; \$40 to the chief of the airport PIP station; and \$10 to the highest-ranking PIP chief of the operational group in charge of checking travelers.

Insofar as can be determined, the agencies charge the travelers \$3,000 to go to the United States, and they manage to send an average of 15-30 people per month.

Accepting the fact that each of the three agencies mentioned moves an average of 30 people per month, we would have to estimate a monthly income of \$270,000.

If the illegal immigrants are discovered at the airport in Mexico and deported, the same group from Migrations and the PIP which facilitated their departure from the country promises to receive them.

Police circles are speculating that, without this report, the investigation is in danger of not being completed, and that those involved may go unpunished.

Visa falsificada, incluso con el nombre del beneficiario.

90

Further Details

Lima EL NACIONAL in Spanish 27 Apr 87 p 4

[Text] An average of 600 Peruvians are leaving illegally every month, provided with forged visas supposedly issued by the Consulate of the Republic of Mexico, and approximately five of them are deported daily from the northern country, because fraudulent documentation for entry into the U.S. via Mexico has been discovered on them. Included among those who have managed to leave the country illegally are citizens wanted by the justice system.

To date, as many as seven travel agencies have been detected, some with dubious legal status, as those responsible for recruiting "chickens," the name given in police jargon to citizens who pay \$3,000 to enter the United States illegally.

Among the police, it is known that there are another 14 agencies implicated in this illegal trafficking of immigrants, with reports that all of them are exporting an average of 800 "chickens" per month. Each of them puts an average of 30 "chickens" in Tijuana (Mexico) every month.

According to the police investigation, individuals responsible for smuggling the "chickens" into the American border localities are set up in that area. Cited among those persons is Luz Fernandez, former secretary to Reynaldo Rodriguez Lopez, alias "the godfather."

This woman is wanted by the Peruvian justice system and, to date, she has not been available to appear in the special court in which "the godfather" is being tried, where she is due to explain a series of sinister drug trafficking activities.

Luz Fernandez has been linked with an agency marked by irregular operations, run at her residence at 1537 Trinidad Celis Street, and conducted by her daughter, Maritza Oliva Fernandez, in the Elio development. Yesterday, our reporters tried to locate Maritza. Service personnel claimed that she was not there, and that no travel agency was operating there.

A second agency is Palace Tours, located at 677 Nicolas de Pierola Street, Suite 302, which reportedly has as "paseros" (individuals responsible for making certain that the "chickens" pass through the airport checkpoints) PIP agents Joel Chavarry Nattery and Jose Nattery Marco. The former holds the status of nephew of the chief of the airport's PIP station, PIP Comdr Alfonso Chavarry Plaza.

The third is reportedly the Turismo J.C. agency, operating in Brena, apparently opposite the Jossy shop on Brasil Avenue.

Yesterday, our reporters found no evidence of the agency's operation on the site, but confidential police reports note that it has as a "pasero" former PIP Lt Elmer Cayo Avalos, brother of PIP Cpl (ret) Zoila Cayo, who was convicted in the "Villa Coca" case on the charge of having provided "the godfather" with police depositions involving probes against him for the crime of drug trafficking.

Other agencies involved in the investigation are: Gold Service Didi Tours (Tel: 271224), J. S. Tours (742 Pierola, Suite 204), Belen Travel Service (1030 Jr. Union), and others.

Deported for Forged Visas

The explosive police report which was submitted in due time to the PIP high command, and eventually diverted to the chief of the PIP station at the Jorge Chavez International Airport, where it is expected to be watered down, contains serious charges against the personnel at the PIP station in that location, and in the Migrations Department.

For example, it notes that the agencies are paying the following amounts for each "chicken" taken out of the country: \$40 to the Migrations contact; another \$40, allegedly to the airport PIP chief, Commander Chavarry; and, finally, \$10 to the operational group chief in charge of passenger inspection.

It has been established that, every day, an average of five Peruvian citizens are deported from the United States, with the following mentioned among them: Mercedes Milagros Pinto, deported on 8 March 1987; Nelly Alcalde Lopez (sister of Pablo Alcalde Lopez, owner of the Didi Tours agency); Victor Orlando Huardi Amak; Tadeo Vega Consorcuaya; Mercedes Melendez Tafur; Maria Elena Diestra (detained for 30 days in San Luis de Potosi, Mexico); David Washington Florian; and Carlos Ibanez Garcia, among others.

No police investigation has been conducted regarding these deportations, because the PIP personnel have not prepared the pertinent depositions that would result in judicial processes for forgery of documents, crimes against the authority to attest documents, and fraud.

It is known that the same police personnel responsible for ensuring the "chickens" departure from the country are in charge of receiving them and allowing them to enter as if there had been no deportation whatever, and a mere legal return to the country were involved.

Conclusive figures are also cited on the illegal shipping of "chickens," which should be given immediate explanations by the Consulate of Mexico.

Mexican Response

Lima EL NACIONAL in Spanish 28 Apr 87 p 7

[Text] Yesterday, the ambassador of the Republic of Mexico admitted the existence of a Mafia engaged in forging visas and in the illegal entry of Peruvian citizens into the United States via the Republic of Mexico; and announced that, in due time, he would request the intervention of the Peruvian Government authorities for a complete explanation of these criminal acts.

At the same time, in Investigative Police circles, they precluded the possibility that the chief of the PIP station at the international airport, PIP Comdr Alfonso Chavarry Plaza, might be implicated in the Mafia which is taking an average of 600 Peruvian citizens per month out of the country, bound for the United States.

Cited in support of this claim is the lack of external signs of wealth on the part of the aforementioned official; for example, it was stressed that he leads a modest life in an urban development of the crowded Comas district, where he resides with his wife and four children, and that all his children are attending state schools. It is also noted that he occupies a house that is not his own, but the property of his mother-in-law.

Migrations Under Scrutiny

Sources in charge of the probe have remarked in this regard that there is a possibility that the amounts paid by the Mafia for taking out the "chickens" (citizens who leave the country illegally with forged visas) may be received by other officials, not including Commander Chavarry, and that the investigation should determine who has been receiving the \$40 for each "chicken," which was allegedly allocated for the station chief.

It is known that another \$40 was being given to a contact in PIP Migrations, and an additional \$10 to the PIP group chief at the airport responsible for ensuring the passage of the "chickens" through all the airport checkpoints. Finally, there is speculation that all these payments have been received by Migrations and PIP subordinate personnel at the airport.

At the Mexican Embassy

In an interview which was marked by an annoying delay of 2 hours, both the ambassador of Mexico, Jesus Puente Leyva, and Consul Raul Cardenas expressed their concern over the proliferation of forged Mexican visas being used for the entry of Peruvian citizens into the United States by way of Mexico.

Among sources at the consulate itself, it was ascertained that the visa issued to the Peruvian citizen, Antonio Ramirez Lopez, that we have published on an exclusive basis is forged in all its details, both the form and the signatures and stamps ostensibly issued by the Consular Section of the Mexican Embassy in Peru.

It proved possible to prove that the visa number 5892-945190 appearing on the forged document pertains to another Peruvian citizen who has left the country legally and who is currently residing in the federal capital of the Republic of Mexico. Also, the pink color of the forged document is lighter than the color of the original. In addition, it has been proven that the stamp with the coat-of-arms of the Mexican Consulate is smaller than the real one, and that the stamp of the Mexican Embassy's Consular Section is also larger than the authentic one.

This visa was allegedly issued on 22 July 1986; and it was noted that the user of this forged document managed to enter Mexico on 18 August of the same year. This citizen was later arrested and deported back to Peru, when the forged nature of the document that he had used to enter Mexico was discovered.

Yes, There Are Deportees

In a press release sent to the national news media yesterday, the Mexican Embassy in Peru confirmed the fact that the recent deportations of Peruvian citizens made by Mexican authorities have been a result of their having made their trips provided with forged visas.

Following is the text of the press release:

"The Embassy of Mexico, in connection with recent news articles appearing in the Peruvian press regarding the forging of Mexican visas, takes the liberty of stating:

"1. Over a year ago, we learned from the local press that alleged travel agencies were granting (ostensibly authentic) visas to Peruvian citizens interested in traveling to the United States by way of Mexico.

"2. According to the same press sources, these Peruvian citizens have paid large sums of money to procure said visas.

"3. Because forged visas are involved, many Peruvian citizens have not been allowed to enter Mexico, and their subsequent deportation has resulted."

2909

CSO: 5300/2052

GAITHER POLL SHOWS LUSINCHI'S POPULARITY LEAD

Caracas EL UNIVERSAL in Spanish 26 Apr 87 p 1-12

[Article by Armando Gomez]

[Text] The results of the latest Gaither poll, which was completed in March, were released unofficially this week.

Jaime Lusinchi got the highest rating, as 65 percent of Venezuelans approve of his performance. This is the highest popularity rating that any president has ever gotten, Gaither himself said in presenting the poll results to a group of leading figures.

Among presidential hopefuls, Caldera got 39 percent and Eduardo Fernandez 31 percent in the nationwide sample.

AD received a 43 percent rating as a party and COPEI a 19 percent mark.

Gaither is the American firm that has conducted polls for more than 10 years for independent groups and AD.

The survey shows that for the first time in 8 years Venezuelans are optimistic about the economic situation. The percentage of people who approve of the economic measures has risen, although the cost of living remains the problem that most concerns the respondents (60 percent).

Among COPEI presidential hopefuls, Caldera surprised Eduardo Fernandez' people by getting 39 percent against Eduardo's 31 percent in spite of the multimillion peso publicity campaign that the COPEI secretary general has been conducting for several months now.

Behind Fernandez in COPEI come Oswaldo Alvarez Paz, Montes de Oca and Pedro Pablo Aguilar with three percent each.

In the judgment of experts there are several explanations for Lusinchi's popularity, among them the way in which the president has handled the crisis at a time when the country is taking in much less revenue than under the previous administration.

In spite of this, the president has managed to insure economic growth, maintain employment, halt the disarray in government and carry out the most ambitious housing programs. This semester the Lusinchi administration will have built 200,000 housing units in its 3 years in office, thus setting a record for home construction in Venezuela's democratic history, Armando Diaz Flores asserted.

Lusinchi is also credited with having prevented Venezuela's financial collapse, restored our international financial prestige and adopted the most severe austerity measures for government spending.

Fernandez Falls in Gaither Poll

According to the Gaither poll, this is not the time for Eduardo Fernandez to run. The COPEI secretary general, who emerged from an alliance with Luis Herrera's administration, has not gotten his message through as the party's popular voice.

Fernandez decided to face off with COPEI's number one man by running the biggest campaign in Venezuela's democratic history.

The campaign seems to have reached the psychological saturation point for Venezuelans, however, and he is beginning to lose ground, thus confirming the theory that boredom is publicity's worst enemy.

Without having thrown his hat into the ring and without the overwhelming publicity, Caldera retains a 39 percent rating, which from the standpoint of electoral mathematics means that he is in a good shape for the final stretch of the campaign.

The Fast Track

Carlos Andres Perez is still ahead in the Gaither poll. However, Octavio is up two from the previous nationwide survey. There should be some changes this week in state-run enterprises and autonomous institutes...President Lusinchi decided to personally take up the issue of wage increases. He met with a group of ministers this weekend. No conclusion was reached. When the investigation into advisory services begins, Rodriguez Iturbe would do well to say whether he is going to keep on paying consultant fees to columnists who are vulgar hacks, not advisers.

8743

CSO: 3348/309

LEFTIST PARTIES REPORTEDLY LOSING IDENTITY, STRENGTH

Caracas EL NACIONAL in Spanish 28 Apr 87 p D-10

[Article by Imperio Rodriguez]

[Text] Jose Vicente has remarked that the Venezuelan Left has lost its identity and masked its image in taking up the legal and electoral struggle, all of which reduces its chances and puts it in danger of disappearing as an institution in 1988.

Moreover, all of this also causes it to compete in the electoral marketplace with a position that is very similar to that of the two-party polarization, thus affording it very limited potential.

"The Left has to spell out policies different from those of AD and COPEI, make decisive proposals to the country and try to socially mobilize a country that except on very isolated occasions never stirs. The country awoke today to a 100 percent [price] increase, and there was no protest demonstration. Such protests are not spontaneous and must be organized. By behaving so much like the forces of the status quo, the Left creates a great deal of confusion when the time comes to call for support and votes."

To Rangel, therefore, the Left's basic problem is one of identity. The point is to defend a position, proposals, a program and answers to the crisis, to offer an alternative to the two-party agenda that can arouse the interest of broad segments of the country.

The second problem, in his judgment, has to do with unity as a practical policy instrument. He asserts that instead of unity, division is being deliberately cultivated and priority is being given to individual and factional agendas instead of to an urgent accord that can yield greater benefits.

"If we analyze the last three elections, when the Left rejoined the civic struggle, the factor of discord and division has been ruinous and reduced its chances. The situation is becoming more dramatic right now, and I have said that unless the Left understands this problem and unless all of its components come to terms, it will be impossible for them to interest other sectors of the population."

He asks how leftist parties can interest the Center and independents without a prior understanding among their own ranks, adding that if such an accord is not possible, the sector's chances at the polls will practically vanish.

"If to this we add that the Left does very little social work, has accepted the politics of the two-party system, and sees the country solely in terms of elections instead of social trends, we are thus led to conclude that a Left that lacks identity, organization and unity is in the worst position to run for office.

"I have been contending that unless the Left unites, regains its identity and combines social and electoral work, it runs the risk of disappearing as an institution in 1988."

The problem of the nomination compounds the problems already facing the Left. In this regard Rangel maintains that once again the Left has taken the wrong approach, because the nomination has to be the finishing touch to a political search and a social, political and ideological stand.

"First a policy must be spelled out and then, in accordance with that policy, a candidate must be sought. Here it is done in reverse. We start by looking for candidates, which introduces highly disruptive and divisive elements, before having discussed political issues such as: what are we going to do in this campaign, how strong are we going to be, what message are we going to convey to the man in the street so that the country will see us as different from AD and COPEI, etc."

He adds that the dilemma of choosing between a party candidate and an independent candidate has arisen once again. He sees this as a very serious mistake.

"We made that mistake in the past and we are making it again now, because putting an independent candidate and a party candidate at odds wastes very valuable time and energy and muddles the situation much more. It doesn't matter whether the candidate is independent or from a party; what matters is to have the candidate who best suits the policy that has been spelled out. The nomination thus becomes an almost insurmountable obstacle, because instead of being a unifying element, it becomes disruptive."

The most advisable course of action, in his view, is to talk over the problem of the nomination and a policy for the Left, inasmuch as non-AD and non-COPEI voters will be confused by multiple candidates.

Rangel says that he is pessimistic about the outlook for an atomized Left, although he is willing to make his contribution to efforts at unity and wants to have someone to vote for in 1988. But if such a ticket is not formed, he will not reward divisiveness or further factional interests that stand in the way of an understanding. He says that he is convinced that his reasoning is the same as that of other leading independents who have turned down the leftwing nomination.

"I am almost convinced that this is the same reasoning, because it is very hard to get an independent or even a party man to agree to run a completely token campaign that has no chance of winning, because within the current framework of discussion it is highly unlikely that such a candidate, no matter how big a name he may be and whether he is an independent or belongs to a party, can play a more or less decorous role in the election."

8743

CSO: 3348/309

AD, OPPOSITION CONGRESSMEN VIEW CABINET CHANGES

Caracas EL NACIONAL in Spanish 24 Apr 87 p D-22

[Article by Hercilia Garnica]

[Text] Partial or sweeping changes are always necessary, much more so if they have far-reaching social, political and economic repercussions. But people are often afraid to make them and, therefore, resort to so-called half measures or short-lived quick fixes.

Something similar happens in national politics, where problems are sometimes not resolved at their root. Quite the opposite. Solutions are piecemeal, superficial and temporary, the result being that situations linger on indefinitely, oscillating between benefit and harm.

The recent swearing in of the three new ministers of education, development and CORDIPLAN [Ministry of Coordination and Planning] and the appointment of governors in Merida, Guarico, Sucre, Yaracuy and Delta Amacuro could be part of the "quick fix approach" in the opinion of several congressmen.

As has been reported, President Lusinchi swore in Pedro Cabello Poleo to replace Luis Manuel Carbonell in Education, Hector Meneses to replace Gustavo Mirabal Bustillos in Development and Modesto Freitas Pinate to replace Leopoldo Carnevali Buenahora, who resigned 2 months ago, in CORDIPLAN.

The outgoing ministers may have been replaced because they wished to leave or in a bid to revamp the ministries.

Exercising a Right

Canache Mata, the head of the AD congressional bloc, indicated that the resigning ministers were exercising a right, just as the president of the republic exercised his by naming replacements.

The replacements are competent professionals who will be running major areas of government. Canache Mata has no doubt that like their predecessors the new ministers will be equal to their responsibilities.

He denied "the speculation" that they were replaced for strategic political reasons, such as to overhaul the ministries because they were not being run too well. "The resigning ministers have left their posts because they wanted to," Canache Mata indicated. The appointments are not connected in any way with political decisions, "at least theoretically; this is pure speculation."

The AD leader went on to say that ministerial posts are not for life, nor must a minister necessarily remain in office for the duration of the constitutional 5-year presidential term. It is traditional and common to have changes in the executive cabinet during a presidential term; there could be a change in any one at any time. This has always been the case in Venezuela and in the world's democratic nations.

As for the qualifications of the new ministers, Canache Mata indicated, without answering the question, that all of the president's appointees have his complete and absolute solidarity.

But there must be solidarity not only with colleagues but with the country as well, and the AD leader stated that he hopes that Venezuela shares his opinion. We must remember that Pedro Cabello Poleo, for example, did a brilliantly effective job as rector of Oriente University for 5 years. His performance there is unequivocal evidence that he is highly qualified to serve as education minister.

Course Not Altered

The changes in the executive cabinet were not the ones that Dr Abdon Vivas Teran, the head of the COPEI congressional delegation, was expecting. And he is not alone. Another group was not expecting them either. The new appointments prompted profound uneasiness, inasmuch as the entire country was hoping for a 180 degree turn, and it turned out that there was no change of course at all.

The three new ministers will not make substantial changes in the policies of their predecessors; they represent only "a minor touch-up that is not even cosmetic."

The Names Do Not Matter

The head of the congressional bloc of the Movement Toward Socialism (MAS), Victor Hugo D'Paolo, felt that the new appointments should have represented sweeping change, in other words, a change in policies. If the same policies are pursued, as seems likely, a mere switching of officials will be of no importance to the country.

What is most important in this situation is not the names but an overhaul of the policy that Miraflores has been directing. The entire economic cabinet ought to be removed, as it has failed in its handling of the foreign debt, in its price and marketing policy and, above all, in the negative financial policy that it has been pursuing.

The president of the republic, the MAS leader indicated, should clearly explain to the country the reasons why he replaced the ministers of education, development and CORDIPLAN. "Because if it was because they failed, there are others who ought to leave the cabinet for the same reasons." The president should then conduct an in-depth analysis and take stock of the performance of each cabinet ministry so far.

Reorientation of Policies

Pedro Ortega Diaz, the head of the congressional bloc of the Communist Party (PCV), began by indicating that the current administration's problem, in addition to its underlying assumptions, is that it has pursued misguided policies, so much so that the weight of the crisis in Venezuela has fallen entirely on the shoulders of wage earners: blue- and white-collar workers, professionals and technicians.

The changes in the ministries do not alter this situation in the slightest. Ortega Diaz indicated that in a futile effort to pay back the debt to international banks, the administration is disbursing funds that it ought to earmark for efforts to prevent price increases, for wage and salary boosts and for health care and education. "This cannot be corrected with changes in the ministries."

Like the MAS leader, Ortega Diaz thinks that judging or assessing the new appointees is not the issue. The problem is not the officials but the policies that the administration has pursued so far in every sphere of national life.

We can expect the new ministers to fail, the head of the PCV bloc added, because they will continue to pursue misguided policies that must at this point undergo substantial, not superficial changes. "We will achieve change by uniting among us all to fight and to apply pressure, as the workers, the teachers and now the professors are doing."

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CSO: 3348/309

AD LEADERS' SUPPORT FOR PEREZ, LEPAGE CANDIDACIES VIEWED

Caracas BOHEMIA in Spanish 20-26 Apr 87 pp 18-21

[Text] You must be wondering how the members of the Democratic Action (AD) National Executive Committee (CEN) have "lined up" since the "Battle of the Bureaus" which will culminate with the pronouncement by the educators under the leadership of Carlos Lee Guerra, "El Chino." Sniffing around here and there, we have been able to put together the final puzzle of the top political leadership body of the ruling party, as far as the presidential candidacies are concerned. That's what it's all about.

The chain of pronouncements by the so-called functional organizations began with the decision expressed by the Youth Bureau in favor of Dr Octavio Lepage. Then came the announcement by the Professionals and Technicians Bureau that it favors former President Carlos Andres Perez. The Lepageists immediately countered with the majority vote of the Agrarian Bureau, but the followers of Carlos Andres Perez hit back with the National Agrarian Secretariat. The last two days in March were decisive in this peculiar battle, as the Trade Union Bureau voted 20 to 12 in favor of Perez on the 30th, and the National Trade Union Secretariat the next day gave a resounding victory to the supporters of "El Gocho."

The important Educators Bureau has yet to take a stand; because of its large size, it has unquestionable value in this contentious phase of the AD candidacy battle. Although we have some information on the matter, we will keep it to ourselves so as not to contribute to the propaganda games of some of the sectors involved. But you can use your imagination.

Neutrals

Of the 32 members of the National Executive Committee, five noted leaders are neutral, each in his own way. They are not campaigning for any of the aspirants; they are sitting on the fence, because they care a great deal about party unity and they are convinced of the need, in the end, to yield to the freely expressed mandate of the Electoral Colleges, whether the victor be Carlos Andres Perez or Octavio Lepage. These five are:

—Gonzalo Barrios, president of the party and the great "guru" among the AD leaders.

—Reinaldo Leandro Mora, vice president of the AD and president of the Congress of the Republic. In the beginning he was sounding very much like a compromise candidate, but he decided to withdraw from the presidential race.

—Luis Alfaro Ucero, "El Caudillo," the undisputed chief of the AD party machine. The chairman of the CEN committee that will choose the members of the Electoral Colleges, he is praised by all sectors.

—Luis Pinerua Ordaz, former presidential candidate, leader of an important sector, and a former aspirant to the candidacy for 1988. He withdrew from the competition and declared himself neutral, suggesting that his followers vote with absolute freedom in the Electoral Colleges, as their consciences dictated.

—Humberto Celli, national assistant general secretary and vice president of the Chamber of Deputies. He is hoping to be chosen as his party's general secretary for the next term, so it is a little uncomfortable for him to take sides in this candidacy game. Since his brothers Oscar and Celio are linked up with Lepage in Carabobo, and his wife Virginia is minister of family affairs, many associate him with Lepage's candidacy, but he patiently insists on his neutrality.

It is commented that Gonzalo Barrios, Reinaldo Lenadro Mora, and Luis Alfaro Ucero all are realists, and will accept any outcome. At least the first two have confided to close friends of theirs that "they accept as fact the rising support for Carlos Andres Perez." None of them plans to come out in favor of either candidate, however.

Luis Pinerua Ordaz and Humberto Celli may, however, but only in the case of a disturbing conflict in which their leanings would serve to shore up one side and convince the other of the need to accept the majority's will.

With Lepage

On Octavio Lepage's side is a group of very important party leaders who are united in their opposition to the reelection of Perez. They are regarded as allies of President Jaime Lusinchi on the issue of the candidacy, although the chief of state has said more than once that neither the government nor he has a candidate. Counting the candidate himself, they number 11:

—Manuel Penalver, national general secretary, a close ally of the president of the republic and veteran union leader. This position helped him reach the highest party post when the Trade Union Bureau supported Lusinchi's bid for the presidency.

--Juan Herrera, a veteran union battler.

—Sotero Rodriguez, another veteran who headed the Lepage force that took a beating in the Bureau and in the National Trade Union Secretariat on 30 and 31 March.

--Ruben Lanz, president of the Peasant Federation of Venezuela, a veteran of the agrarian struggles who hails from Monagas.

--Luis Guevara, former secretary of organization for AD in Caracas, a member of the president's Commission on Barrio Affairs.

--Ixora Rojas, a leader from Zulia, national secretary of the Women's Front.

--Alberto "Beto" Finol, a multimillionaire Zulia businessman, the primary financier of his candidate's campaign.

--Armando Sanchez Bueno, former president of the Chamber of Deputies, former minister of justice and communications, current chairman of the Finance Committee in the lower house.

--Isabel de Malave, widow of the memorable union leader Augusto Malave Villalba and representative of the party's female wing.

--Luis Emilio Rondon, national youth secretary, one of the most enthusiastic supporters of Lepage's candidacy.

This sector basically contends that it has on its side the majority of the 40,000 or 50,000 leaders who will vote in the Electoral Colleges after next 1 October. They claim that one indicator is the number of followers they have in the sectoral fronts, and another is their reported predominance in the most important CESs in the country, including those of Caracas, Aragua, Carabobo, Zulia, Lara, Anzoategui, and others. They put that power to work in their failed attempt to persuade the majority of the Trade Union Bureau not to support one of the presidential precandidacies. They argue that they will go to the mat, and they are convinced that Octavio Lepage will be chosen in the end. They see in him very legitimate personal, intellectual, and political qualities that enable him to aspire to the presidency. They think that AD has always backed its presidential candidates once they are chosen, so the low rating garnered by the former interior minister in the opinion polls would be quickly overcome by the boost provided by the party machine.

With Perez

Carlos Andres Perez is supported by 15 of his fellow CEN members; counting him, the total is 16. This amounts to precisely 50 percent of the 32 members of the body. They are:

--Alejandro Izaguirre, former national general secretary and chairman of the Senate Defense Committee.

--Carlos Canache Mata, chief of the parliamentary delegation and a noted political leader, an articulate spokesman in important mass media.

--David Morales Bello, an aspiring presidential candidate, parliamentary debater and jurist renowned as much for his knowledge as for his "tribe." At some point, sooner rather than later, he will step down in favor of Perez.

--Lewis Perez Daboin, secretary of municipal affairs, former right-hand man of Luis Pinerua Ordaz and number-two man at the Secretariat of National Organization.

--Pedro Paris Montesinos, current chairman of the Senate Finance Committee.

--Pedro Tabata Guzman, a controversial and contentious deputy, the ruling party's point man in certain debates on the freedom of expression.

--Homero Parra, national secretary of professionals and technicians. He has been mentioned as a possible campaign chief for Carlos Andres Perez, if he wins in the Electoral Colleges.

--Antonio Rios, national trade union secretary, considered a key AD leader. He is concerned about the necessary autonomy the labor sector should have within the parties.

--Juan Jose Delpino, president of the Confederation of Venezuelan Workers. He sometimes is embarrassingly critical of the government's policies when it comes to defending the workers' rights, especially with regard to the high cost of living and unemployment.

--German Pena Navas, national agrarian secretary and a veteran of peasant struggles.

--Lilia Arvelo, representative of the female wing in the CEN and president of the Venezuelan Teachers Association. She did not fare too well in the recent teachers' conflict.

--Carlos Lee Guerra, national secretary of educators.

--Isabel Hernandez, national assistant secretary of organization, acknowledged as an extraordinary organizer.

--Angela Cruz de Quintero, representative of the female sector and president of the Venezuelan Medical Federation.

--Celestino Armas, an enthusiastic promoter of Perez' candidacy. He was very critical of the policy of internationalizing the oil industry during the Luis Herrera administration, and he has had to keep quiet during this term.

This sector asserts that Carlos Andres Perez is "unstoppable" as a candidate, that he has the strongest popular backing both in and out of AD, that he is moving up in the polls, and that he can count on a majority in the Electoral Colleges. The candidate has spoken of "the call of history," and denies that Romulo Betancourt is opposed to reelection, as those across the street contend. Recently he has reacted by saying that he will be president of the republic for the second time, "like Romulo Betancourt." In view of the majorities the Lepage followers have garnered in the most important CESSs, the Perez supporters posit the theory that the lower one goes in the pyramid of party power, the more support one sees for Perez. They proved this, to a

certain extent, with the pronouncements by the Agrarian and Trade Union Secretariats.

Clarifications

If there is any reason for this article, it is to report freely on what amounts to a dynamic of national interest. There is no other. Thus, I apologize to the most sensitive of those whose names were mentioned; of course, they may send in their clarifications if they deem it necessary. I am very grateful to our informants for boldly supplying much of this information without expecting anything in return.

One final thing, though no less important for coming last. Democratic Action's unity appears to be faced with a potential threat, given that the majority of its leaders are talking very insistently of that dream which the weakened democratic left of Venezuela has been unable to realize. In public and in private, several key leaders of the organization argue, however, that no such threat exists, that the interest in party unity is universal in the rank and file, and that in the end the democratic mandate of the Electoral Colleges will be imposed. While some denounce undue "pressure" exerted by the government sectors who support Lepage, the aforementioned party officials reject these implications as evidence of disloyalty and a lack of consideration for the intrinsic merits of the former interior minister. Given this state of affairs, tensions may mount in step with the cost of living, and then the "specter of 1967" could rear its ugly head. In fact, though, there is no real sign of the "division" of the ruling party that some opponents have seen fit to predict, with no grounds other than wishful thinking.

"AD Supporter to the Death"

This time-honored expression coined by former President Romulo Betancourt, founder of Democratic Action and a controversial statesman, is on the minds of AD officials today. Above and beyond the disagreements and the passion of the "war" over the presidential candidacy, we must emphasize that there is an absence of any critical elements that would point to a structural rift in the current ruling party. The main parties involved in the tense internal situation in AD are not given to schismatic inclinations. Both former President Carlos Andres Perez and Dr Octavio Lepage have been emphatic in stressing their desire for unity, aside from any differences they may have. Moreover, there are the moderating influences exerted by prominent historical leaders such as Senators Gonzalo Barrios, Reinaldo Leandro Mora, and Luis Alfaro Ucero, among others, who adamantly insist on respect for the democratic will of the party rank and file, which will be expressed through their 40,000 or 50,000 representatives in the Electoral Colleges.

AD, to be sure, is the party that has had the most significant divisions in Venezuelan political life. The schisms suffered by the Movement of the Revolutionary Left (MIR), the ARS, and finally the People's Electoral Movement in 1967 are enough of a lesson for the experienced leaders who run AD today. It seems logical that, in the end, the turbulent waters that characterize the candidacy dispute today will become calm, because aspirations for power, as in the Social Christian Party (COPEI) and the democratic left, call for unity within plurality.

ROLE OF BARRIOS, LUCERO, MORA ON BEHALF OF AD UNITY

Caracas BOHEMIA in Spanish 20-26 Apr 87 pp 22-24

[Text] The decisions made by the National Political Committee (CPN) of Democratic Action (AD) when it met last Wednesday in Central Park were determined by the stellar speeches of Senator Gonzalo Barrios, who stressed the need to boost the level of democracy in the internal debate in order to ward off the potential threat of divisiveness, and President Jaime Lusinchi, who reiterated his opposition to the direct election of governors and mayors and promised to respond to urgings that he instruct all public officials to stay out of the internal candidacy debate of the white party.

The "Battle of the Bureaus" stepped up the pace of the candidacy war in the ruling party. Only the moderating influence of Barrios and Senator Luis Alfaro Ucero, national secretary of organization, was able to calm the public and internal furor between the sectors that are polarized over the preliminary candidacies of Carlos Andres Perez and Octavio Lepage. The national AD leadership sounded a warning about the dangerous turn events were taking. There was widespread concern, and the decision to head off the dangers was unanimous.

Amid these efforts, the advance meeting of Barrios and Alfaro, the sectional general secretaries, and preliminary candidates Perez, Lepage, David Morales Bello, and Luis Pinerua Ordaz, was crucial. This meeting enabled them to reach a consensus which the following day translated into the body of seven "Norms to Incorporate into the Bylaws that Govern the Party's Internal Electoral Activity." It was noted that the national general secretary, Senator Manuel Penalver, played a restrained role in conducting the debate; he is partial to the candidacy of Lepage, being one of Lepage's primary promoters. Barrios, Alfaro, and Reinaldo Leandro Mora have become the most significant factors in terms of exercising prudence and reaching understandings, with the consent of the quarreling sectors, of course. Their leaders can imagine what will happen to a candidate whose party is either split in spirit or actually divided. Hence, wisdom prevailed this time.

Conclusions

One conclusion that had nothing to do with the candidacies was the proposed decision on the direct election of mayors, and the feasibility of trying out

open slates in the 1989 municipal elections. A special committee will prepare a report for the National Executive Committee, which will review the report and take up the issue with a new National Political Committee.

Among the "Norms" mentioned above, most noteworthy are "the prohibition of any pronouncement by any party organization within the sectional geographic sphere, regarding any presidential candidacy, before 1 October of this year"; support for the time periods and regulations established by the Supreme Electoral Council; the strict regulation of the campaign tours of preliminary candidates, which are now limited to party organizations; the institutionalization of weekly meetings between the party president and secretary of organization and the preliminary candidates, and monthly meetings between these two party leaders and the general secretaries and sectional organization secretaries.

But the most important norm by far, in terms of the free flow of debate, is that "the president of the republic be requested to confirm his instructions to public officials that they guarantee the impartiality of the internal electoral process."

An eighth norm, surprisingly proposed by Luis Pinerua Ordaz and greeted with applause, is the one recommending that AD members and leaders who have access to the print media not use pseudonyms to denigrate or malign their rivals.

What Barrios Said

The president of AD once again revealed his guidance ability, in the opinion of prominent leaders such as former President Perez, who expressed satisfaction with "that exceedingly subtle and intelligent way of saying so many things at once" that characterizes Dr Barrios. "He warned those whom Antonio Leidenz once called 'the powerless powers' that they are speaking on behalf of other party members."

On the other hand, we learned that Barrios praised the attitude of the sectional general secretaries, who "saved party unity" by proposing the regulations that were approved and refusing to unleash the tumultuous flood of pronouncements in favor of one or another preliminary candidate. Another recommendation they made was to carry out the internal confrontation over the candidacy in rational and truly democratic terms. This would avoid what used to be the rule: "To win, one had to decapitate the others." Now things cannot be done by decapitating others, "displaying the other's head like a trophy." In other words, they have civilized the internal electoral struggle so that the process can be carried out without too much trauma.

In expressing his concern about AD unity, the AD "guru" also expressed his satisfaction that in the days prior to the event in question, "we began to smile again in this party." And the sectional general secretaries contributed a great deal to that.

Furthermore, talking about the preliminary candidates, he conceded that although there are four, two of them, Carlos Andres Perez and Octavio Lepage, have managed to polarize the party. This is an important fact that everyone

knows; he mentioned it to emphasize that both of them should vie for the candidacy as part of a normal process, governed by the spirit of democracy, in which each individual expresses his opinion freely, and, in the case of the Electoral Colleges, each person votes for the candidate who best satisfies the expectations of leaders and members.

Lusinchí

The chief of state arrived at the meeting after noon. He did not say a word to the press, as he was hurrying in from Miraflores after concluding a regular session of the Council of Ministers. He spoke for about 15 minutes to the members of the CPN and the guests in Room 2 at Central Park.

According to one person who was present at the meeting, Dr Jaime Lusinchí indicated his satisfaction with the type of meeting that was being held and the favorable climate for party unity. Then he brought up the issue of electoral reforms, repeating his opposition to the direct election of governors and mayors. The result, in his opinion, would be some 20-odd "mini-presidents" in the case of the regional chiefs of government.

As for the government's participation in the internal struggle over the presidential candidacy, he confirmed that the Executive will not become involved officially, and he supported the CPN's decision to ask him, as chief of state and the government, to issue instructions prohibiting active participation by public officials in the internal dynamics of AD.

Perez and Lepage

Carlos Andres Perez and Octavio Lepage were all smiles. At the end of the event, both leaders told journalists separately that they were satisfied with the agreements that had been reached, and they expressed optimism about their respective prospects for winning the nomination.

The final session of the CPN last week also marked the close of a critical period for the ruling party, amid great expectations in the country and concern among AD members, leaders, and peripheral groups.

This was apparently a dark chapter which was overcome in the name of party unity. Now it remains to be seen whether the new rules of the game are respected between now and 1 October of this year. This was a wise decision in a party those leaders dared to submit to collective self-control in order to rationalize a debate that could become dangerous if certain excesses or extremes were allowed.

At any rate, the procession is moving inward. Not much will appear in the mass media, but the intensity of the confrontation will not diminish internally, where the "Lepagists" and the "Carlosandresists" (to use a convenient phrase) will wage a battle without quarter until the final decision is made by the Electoral Colleges.

8926

CSO: 3348/289

SANIN ON NEED FOR ELECTORAL REFORM

Caracas BOHEMIA in Spanish 20-26 Apr 87 p 9

[Text] It is becoming increasingly common to advocate single-candidate voting rather than slate voting. People are tired of placing a colored ballot in the box every 5 years to express their opinion in favor of a list of candidates, not knowing for whom they have voted, or knowing that there are many people on the slate whom they do not like. This is the law of betraying the will of the people, who do not want to keep voting for slates. They prefer to vote for single candidates, so that they can choose the most qualified from all the slates. Or they can vote for independents who might make magnificent congressmen or excellent councilmen, but lack the backing of a party or the money to promote themselves.

Single-candidate voting would allow us to make a masterful selection of candidates, choosing those we know and appreciate. In addition, this type of voting would give us the opportunity to have our own deputy or alderman in each state or district or municipality, directly committed to working for the specific needs of the community.

This is of particular concern to councilmen. In the past, as Uslar Pietri recalled when discussing the system that prevailed under Medina, it was possible to choose aldermen directly, that is, voting by candidate. For example, in 1944 Romulo Betancourt was elected by the parish of San Agustin; and Valmore Rodriguez was elected to represent La Pastora. Both were leaders of Democratic Action (AD), which was in the opposition at the time, and they were elected alongside leaders of the ruling party, such as Alirio Ugarte Pelayo, who was elected in Altigracia, and Felipe Massiani, who won in Santa Teresa. In those single-candidate elections, Communists Carlos Augusto Leon (Candelaria) and Chicho Heredia (San Jose) also won seats in the Caracas city government.

Now, if the electoral law were reformed to allow for single-candidate voting, many combinations could occur for the direct election not only of councilmen, but also of deputies to Congress.

We would eliminate the outdated and unfair system of slates to adopt the system of voting for our candidates without being caught up in the vexatious web of the slates put together by the parties. We would form city councils

with men who had ties to the parish, the municipality, the barrio, the neighborhood, without being obliged to vote for strangers, outsiders, and interlopers selected by the parties. We could even vote for independent candidates and those shunted aside by the established organizations; often these are the most popular candidates in every sector, neighborhood, or resident association. There are many community leaders among us who are not elected because they are not put on the slate by the parties, even though the residents of the parishes and municipalities express support for them. In this regard, single-candidate voting would serve to do away with the virtual dictatorship which the parties exercise with their amorphous or heterogeneous lists.

Single-candidate voting would also help purify Parliament. It would do away with the coercion that is practiced by means of the slate system, which forces the electorate to vote for men who have spent years in Congress without lifting a finger to benefit the communities they represent. It would also allow for the selection of the best candidates among all those run by all the parties. They would be chosen on the basis of their qualifications, honesty, and civic spirit. That would make for a true democracy and a genuine exercise of sovereignty.

For this reason, I think we should begin fighting right now for the approval of single-candidate voting. Venezuelan democracy is becoming increasingly flawed, obsolete, and corrupt because of the entrenchment of the political cliques imposed by the parties. Although these are the tools of the democratic system, I think the time has come for a revision of rules, methods, and attitudes, so that the electorate can place its true representatives in the deliberative bodies. Otherwise, we will be left with the same truncated democracy that has patented corruption through immobility.

8926

CSO: 3348/289

FORMER FOREIGN MINISTER VIEWS FOREIGN POLICY FORMULATION

Caracas EL NACIONAL in Spanish 28 Apr 87 p D-12

[Text] The significance of foreign policy can be seen in the increasing priority that nations are attaching to it. Such a trend began in Venezuela some time ago. It is precisely for this reason that foreign policy failures are so important, inasmuch as when the public becomes aware of them, it inquires about the causes and calls for remedies, indicates former Foreign Minister Jose Alberto Zambrano Velasco.

As far as the former foreign minister is concerned, the more pluralism, channels of communication and avenues for participation there are in a system, the more difficult it is to pursue a "policy of silence" in international relations. Fortunately, we live in a democratic era in which society increasingly demands accurate information from its government. Very few exceptions can be justified. In contrast, dictatorships enjoy broader leeway in this regard. In democratic nations such as the United States, France, England, etc, examination of foreign policy is an ongoing priority. Moreover, the appropriate government bodies engage in timely and tenacious monitoring there. Every day in their coverage the press, television, etc convey the enormous weight of public opinion, which is heard and respected.

Zambrano Velasco added that sound and well-informed public opinion would play a serious watchdog role in our participatory democracy. Such a possibility vanishes, however, if the government chooses to pursue a "policy of silence," if the Foreign Policy Committees are unable to perform their watchdog function in timely fashion and if the Foreign Relations Advisory Committee cannot perform its functions either.

"The actions that accompany silence and the interpretations that it prompts often give rise to major fiascos. Therefore, a certain balance is advisable. The disinformation that results from silence causes greater damage. The country's position suffers when it is established from overseas. On the contrary, it grows stronger when a prudent, timely statement by the foreign minister clarifies the situation. It is with good reason that foreign relations are based on rational solutions."

"What seems inappropriate," he goes on to say, "is to regard those who request information on or who criticize foreign policy as being 'opposed to national

interests.' This could be an attempt to use foreign policy to divert the attention of citizens to specific domestic objectives. To properly understand the meaning of Minister Consalvi's remark, we would have to ask him what those interests are, to find out whether we share them or not. The current government has not had time to do so over the past 3 years. On the other hand, though, we must bear in mind that the country is entitled to participate objectively in defining those interests, because even if we assume that they are the 'higher interests of the State' that are invoked so often, the phrase also lends itself to concealing infinitely less noble and even individual interests."

"What is the function of the government?"

"The government's mission is to establish the ends to be achieved and, after making them known, act in accordance with those goals, assess the risks and confront them with the means at its disposal. In practice the concept of national interest gives rise to a serious problem: how to tell whether what is being called the 'national interest' is not an attempt to disguise individual interests on the scale of values of those who formulate, convey and execute foreign policy.

"For example," Velasco Zambrano continued, "at the recent vote on investigations into human rights in Cuba, when Venezuela voted in favor of Fidel Castro's position, can someone really say, as Minister Consalvi did, that the circles that criticized Venezuela's vote 'are against national interests'? I don't think so. On the contrary, I would ask this question, prompted by the statements that spokesmen of the ruling party like Leandro Mora, Manuel Penalver and Carmelo Lauria made in objecting to the Foreign Ministry's position: Who in the administration's chain of command supports Fidel Castro? Who authorized the ambassador to cast that vote? Why was the pledge to abstain not honored? Who changed a longtime Venezuelan position favoring an unqualified defense of human rights and why?

"In the future we cannot run the risk of further mistakes in this regard, because Venezuela's national interest obviously does not coincide with Cuba's in this instance. Much less could we support such a position if we recall that Castro has promoted subversion and guerrilla war in Venezuela to undermine our legitimate constitutional governments, has failed to honor the right of asylum and his commitments to our country in this regard and, as if this were not enough, has repeatedly come out in support of Guyana and against our legitimate claim to the Essequibo. In other words, Fidel Castro has disdained our national interest and tried to trample on it.

"Defending Foreign Minister Consalvi, former President Carlos Andres Perez recently asserted on a TV program that the Venezuelan vote removed the country from the East-West confrontation, insinuating that by not voting with the United States we were expressing our sovereignty. Does he mean then that we are sovereign only when we do not agree with the United States? Even in keeping with such an absurd position we should logically have abstained. Or was Venezuela washing its hands of the East-West conflict by voting with Fidel Castro? Instead of standing above the conflict, Venezuela actually took sides.

"So then," Zambrano Velasco said, "we have to go back to the goals that political decision-making often involves. It would be good for the country, for the government and for all Venezuelans if the administration established and clearly made known the main guidelines for its actions. This would help prevent surprises like the recent pro-Castro vote. It should also clarify whether the concept of the 'national interest' that Foreign Minister Consalvi invoked is an end in itself or, instead, a means to another end. When Venezuela votes for Fidel Castro's position at the UN, is its purpose perhaps to oppose the United States? Or, as he seems to be insinuating, was the vote a way of strengthening the 'joint decision-making' process? In other words, we wonder whether in overlooking major issues that do affect its national interest, Venezuela was seeking to draw closer to other nations in an attempt to achieve 'unity among Latin American countries.'

"It obviously behooves the country to participate in and guide the formulation of a Latin American position. The administration ought to do so clearly, present specific and unequivocal projects and formulate and pursue an appropriate policy that will convey Venezuela's position. But we cannot ignore our fundamental interests in seeking these goals. Moreover, that was not what happened. No talk of a 'Latin American policy' or 'unity among Latin American countries' can justify what happened. Only seven Latin American countries took part in that vote. Of them, Brazil, with Itamarati's farsightedness, abstained, and Costa Rica, a democratic country and an acknowledged champion of human rights, voted for investigating Fidel Castro's human rights policy. The five other countries (Nicaragua, Mexico, Argentina, Peru and Venezuela) voted against. The cases of Mexico and Nicaragua are obvious. Argentina, on the other hand, had just gone through a crisis involving none other than the issue of punishing violators of human rights under the military governments. In Peru, the Shining Path movement has come to be one of the most serious threats to human rights, and President Alan Garcia has demanded respect for human rights in the wake of the military crackdown on a prison uprising a few months ago. Under circumstances such as these, no one can doubt how Venezuela ought to have voted and what side Latin American solidarity should have taken. Nevertheless, the Mexican-Nicaraguan position dominated, and Venezuela joined the effort to prevent an investigation of the human rights situation in Cuba."

Zambrano Velasco indicated that a situation more conducive to an attempt at Latin American had arisen previously at the OAS Assembly in Cartagena. But Minister Consalvi was caught napping there. Favors were handed out to other countries. The small but numerous Caribbean countries imposed their view on Guyana's membership in the OAS and negotiated from a position of strength with the Latin Americans, led by Brazil and Colombia. Pursuing their own interests, Brazil agreed to augment the power of the secretary general, who at the moment is Joao Clemente Baena, a Brazilian, and Colombia backed a policy of intervention in bilateral problems, to which Venezuela did not raise objections either.

The former foreign minister said that a mistaken interpretation of the sentiments of the underlying forces of a nation often leads to an inappropriate assessment of the situation, as in the case of Foreign Minister

Consalvi's choice of words. The minister knows quite well that public opinion expresses itself constantly and has its fluctuations, its outbursts and its periods of indifference. At the moment the public unquestionably has a negative opinion of the formulation and conduct of Venezuelan foreign policy. Therefore, instead of imagining plots against the national interest, the foreign minister ought to try instead to read between the lines and find out what issues to act on.

"There are more and more such issues, of course. Any newspaper or magazine that you chance to pick up these days mentions at least these issues: the attempt to attach the Foreign Trade Institute (ICE) to the Development Ministry, going over the head of the Foreign Ministry and accusing it of not having responded opportunely to the successive requests for its views. This proposal reflects the steady weakening of the ICE over the past 3 years, because it has abdicated the fundamental role that the Foreign Ministry had assigned it in formulating and carrying out Venezuela's foreign economic policy and because it has ceased to perform a function that must also go beyond the cyclical issue of exports. Also linked to the weakening of the ICE is the longtime abandonment of Latin American integration, in which the ICE can claim so many past successes. The Protocol Amending the Andean Pact has prompted serious confrontations between industry and commerce, and as official resolutions of the economic bodies assert, the ICE has merely been reprimanded for the unacceptable attitude of its officials.

"On his recent visit to Caracas, the president of the Colombian Congress, Humberto Pelaez Gutierrez, said that it would be a good idea to take care of the demarcation pending between our two countries. The 'policy of silence' has certainly not been a good thing in this regard."

According to Zambrano Velasco, the press has reported recently that the Demarcation Agreement with Trinidad might be signed this year. "We have so far raised several objections. It would seem, however, that the Foreign Ministry's Borders Directorate is unwilling to grasp how delicate the issue is and that an irreversible course of action is under way. We shall see."

Zambrano Velasco concluded by saying that the policy that our country manages to inspire in Contadora and the policy that it can pursue jointly with other countries on the debt are the most appropriate areas for building a Latin American position. "This is why Contadora was created. It embodies the longstanding attempt to bring together, with stark realism, the factors that can lead to an understanding in our Americas. Venezuela's initiative is basic here, because owing to its general conditions and the weight of its democracy it can make a more significant contribution than other countries to democratizing the area, which is the only secure road to peace."

Mr Foreign Minister, the initiative is all yours.

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CSO: 3348/308

PRESIDENT OF COLOMBIAN CONGRESS DISCUSSES BORDER PROBLEMS

Caracas EL NACIONAL in Spanish 24 Apr 87 p D-15

[Article by Imperio Rodriguez]

[Text] The president of the Colombian Congress, Humberto Pelaez Gutierrez, noted in his speech and in subsequent statements to the press that the negotiations on offshore and underwater areas between Colombia and Venezuela would proceed under bilateral border integration accords and in accordance with the political actions of legislators "so that the vicious circle in which negotiations between the two countries have been conducted does not continue."

The Colombian lawmaker, a member of the ruling Liberal Party, answered questions from newsmen after his speech at the special session that the Congress of the Republic held in his honor. He concluded his address with a clear-cut reference to the burning issue that is on the minds of the public in both countries.

The issue was also broached in the first and second questions at the press conference. Concern centered on the ability of Colombian and Venezuelan lawmakers to influence the demarcation, given that the two governments have been unable to settle their differences so far. In responding, he first made reference to integration and then optimistically remarked that "we hope that before the year 2000..."

"The question is perfectly normal," he said, "because one of our peoples' concerns is that we will be able to resolve our border problems some day, hopefully as soon as possible. I would note, however, that we are the Legislative Branch, which cannot negotiate or make decisions on the issue of offshore and underwater areas between Colombia and Venezuela. Even if we cannot include it as an item on our agenda, we are not unaware of the progress in integration and of the strengthening of the agencies that we in the Legislature can create in the border zone to deal equitably with the problems of their inhabitants. Little by little a climate of public opinion is developing that will pave the way for future decisions on border problems."

He called on the media to pledge to foster a climate that is conducive "to ending the vicious circle in which negotiations have been conducted between Colombia and Venezuela, as I said in my closing remarks in thanking the

president of the Venezuelan Congress for his gift. Let us not leave the problem for those who are to come, for the next generation. Let us enjoy the satisfaction and the pride of having resolved the age-old border problems of our two countries before the end of the century."

"Do you think that political action to arrive at a solution (of the border dispute) is more viable under these bilateral congressional accords?"

"Naturally, this is why we are demanding it...One of the things that I emphasized in my address was that we should give a major role to politics so that we can drift a bit from the cold approach of the officials, the bureaucrats and the government offices, and take a broader approach, with an eye towards the people, with a sense of realism. In this way we could truly help the representatives of the two countries' governments to understand how the people think these matters should be resolved."

He believes that "the border situation has no impact" on the inhabitants of the two countries and that we should more about "the small percentage of people who live along the border, because they are the ones who are paying the consequences for our not having come to terms and resolved an age-old problem."

Newsmen also asked him about the worsening of border problems owing to the rise in smuggling into Colombia and about its impact on trade.

He said in this regard that a solution must be sought, because the problem is the fruit of the same socioeconomic situation. He added that as long as there is no policy of consensus, economic program and border-region prices under a serious agreement between the two countries, "it will be very hard to contain it, and you are going to have to emphasize every day that the situation continues to harm our economies."

Drug Trafficking

With regard to drug trafficking, he mentioned the agreement to create a legal framework that will be in force in the Andean area in a bid to combat a scourge that already afflicts all countries, even if Colombia is still the epicenter.

He said that the Colombian Congress is extremely worried about drug trafficking and is currently awaiting a Supreme Court decision on the Extradition Treaty. The upcoming session of the Legislature, which opens in July, will decide on the matter.

He was also asked about the impact that the continual attacks by Colombian guerrillas on our military border posts are having on bilateral relations.

He noted that "this is a very similar, parallel issue, because we too have been hit by the stepped up activities of the subversive groups in the border region. They have caused grave problems, so much so that during the sixth session of the Andean Parliament we approved the formation of a common front

to tackle the guerrilla problem, which runs parallel to the problem of the kidnappings with which these groups finance themselves..."

Asked about Colombian congressmen Jairo Slebi and Felix Salcedo, who have been under investigation by the Venezuelan courts since 1983, he said that "a somewhat uncomfortable incident" took place during the Colombian-Venezuelan congressional border meetings that were held recently in San Cristobal. I would like to take this opportunity to express our apologies, because such things should not happen."

"You have every right to complain and should step up what you are doing to prevent drug trafficking from getting into your country. The status of the two Colombian congressmen (one of them was actually not a congressman at the time; he was a departmental assemblyman) is subject to what your courts deem appropriate. You have complete sovereignty, and we in the Colombian Congress will await the decision of your authorities on the matter. We are not protecting them, just as you wouldn't. A little while ago we saw an edifying example when you felt obliged to lift immunity from and allow the prosecution of one of your deputies (Hermocrates Castillo). We will do exactly the same when the time comes. So far, though, the Colombian Congress or justice system has not received any such request."

Regarding a common approach to the problem of Latin America's foreign debt, he referred only to Colombia's position on potential mediation with external creditors that are hewing to a hard line and thus scuttling our efforts at development.

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